

PART I – THE SCHEDULE

SECTION H

SPECIAL CONTRACT REQUIREMENTS

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SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.1 SALES OF CONVERSION PRODUCTS AND DUF6 INVENTORY

(a) Definitions:

- (1) "Product" means any saleable material resulting from the DUF6 conversion process, including AqHF, CaF₂ and uranium oxides.
- (2) "DUF6 Contractor's development and implementation costs," as used in this clause, means those costs incurred by the DUF6 Contractor in developing, testing, preparing, and submitting the proposal, as well as those costs incurred by the DUF6 Contractor to make the contractual changes required for approval by the Contracting Officer.
- (3) "DUF6 Contractor's proposal," as used in this clause, means the proposal the DUF6 Contractor prepares and submits for approval by the Contracting Officer in accordance with this clause.
- (4) "Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the DUF6 Contractor's proposal, such as any net increases in the costs of testing, operations, maintenance, safety reviews, oversight, and logistics support. The term does not include the normal administrative costs of processing the DUF6 Contractor's proposal or any increase in this contract's cost or price resulting from negative contract savings (see below).
- (5) "Net acquisition savings" means total acquisition savings under this contract including the product proceeds received, if any, less (1) the allowable costs associated with the sale that would not otherwise have been incurred during the performance of this contract except to generate the product proceeds, and (2) Government costs.
- (6) "Negative contract savings," as used in this clause, means allowable costs associated with acceptance of the DUF6 Contractor's proposal that exceed the product proceeds.
- (7) "Product proceeds" means the gross revenue obtained by the DUF6 Contractor from the sale of DUF6 or DUF6 conversion products under this contract.

(b) Sales:

- (1) The DUF6 Contractor shall be responsible for the sale of any product as a sales agent for the Government. Title to any product shall remain with the Government until the product is sold. The DUF6 Contractor shall, upon such terms and conditions as the Contracting Officer may approve, sell such property at a price (including “no-cost” sales) agreed upon by the Contracting Officer and the DUF6 Contractor as the fair value thereof.
 - (2) The Contractor shall provide assistance to DOE, as directed and authorized specifically by the Contracting Officer, to support or conduct sales of UF6 inventory consistent with the Secretarial Policy and DOE Excess Uranium Inventory Management Plan. This shall include moving cylinders, sampling, characterizing, transporting, and other handling activities in support of any uranium sales, independent of who conducts the sale on DOE's behalf.
 - (3) The Contractor will take no action to market or sell any products or inventory items until specifically directed by the Contracting Officer. The Contractor shall not prepare and the DOE will not review any Contractor's Proposal for sale of product or inventory until allowed by Contracting Officer direction.
 - (4) If and only if allowed by law, sale proceeds may be applied to reduce allowable costs under this contract as directed by the Contracting Officer. The Contracting Officer will direct the disposition of product proceeds, to be returned to the U.S. Treasury or to be applied to reduce allowable costs under the contract.
- (c) DUF6 Contractor's Proposal: When directed by the Contracting Officer, the DUF6 Contractor shall prepare a proposal for sale of UF6 inventory or any product and submit it to the Contracting Officer for review and approval. The DUF6 Contractor's proposal should include, at a minimum, the following:
- (1) Description of the product or inventory items.
 - (2) Description of the projected quantities to be sold.
 - (3) Identification of the benefits and disadvantages to DOE of the proposed sale including, but not limited to, financial, technical, environmental, safety, and health.
 - (4) Identification and description of any impact or change to the current or projected conduct of operations.
 - (5) Detailed cost impact to current or projected operations including cost reduction and/or cost increases to the current or projected method of operations and any costs to be incurred in order to conduct sales.
 - (6) Projected sales proceeds.

- (7) Estimated net acquisition savings.
 - (8) Estimated negative contract savings, if any.
 - (9) Description of how the DUF6 Contractor's accounting system will track the costs and sales proceeds associated with the proposed sale.
 - (10) Identification of increased or decreased funding by fiscal year needed to implement the DUF6 Contractor's proposal, including funds for operations and capital improvements.
 - (11) Description and estimate of Government costs.
 - (12) Any projected impact to the environment and safety or health of project employees, site workers, and general public.
 - (13) Identification of any changes to the contract requirements, terms or conditions necessary to implement the DUF6 Contractor's proposal.
 - (14) Identification of any permits and/or licenses required.
 - (15) A statement of the time by which a contract modification accepting the DUF6 Contractor's proposal must be issued in order to achieve the maximum cost reduction or sales proceeds, noting any effect on the contract completion time or delivery schedule.
 - (16) Identification of incurred and estimated DUF6 Contractor's development implementation costs.
 - (17) Identification of the projected customers and their proposed use(s) of proposed sales products or inventory.
- (d) Government Action:
- (1) The Contracting Officer will notify the DUF6 Contractor of the status of the DUF6 Contractor's proposal within thirty calendar days after receipt by the Contracting Officer. If additional time is required, the Contracting Officer will notify the DUF6 Contractor within the thirty day period and provide the reason for the delay and the expected date of the decision. The Government will not be liable for any delay in approving or rejecting the DUF6 Contractor's proposal.
 - (2) The DOE decision may include direction to the Contractor for disposition of any product proceeds from the sale.

- (3) The decision to approve or reject all or any part of the DUF6 Contractor's proposal is a unilateral decision made solely at the discretion of the Contracting Officer.
- (e) DUF6 Contractor's Development and Implementation Costs
 - (1) The DUF6 Contractor will account for all the development and implementation costs under this clause separately from all other contract costs. The DUF6 Contractor's development and implementation costs will be unallowable contract costs unless the Contracting Officer specifically approves them in advance or as part of the approval in paragraph (d) above.
 - (2) Approved development and implementation costs shall be included in the calculation of net acquisition savings.
- (f) Data Rights: If a DUF6 Contractor's proposal is approved, the DUF6 Contractor hereby grants the Government unlimited rights in the DUF6 Contractor's proposal and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the DUF6 Contractor's proposal and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)
- (g) Accounting System:
 - (1) The DUF6 Contractor's accounting system shall account for all net acquisition savings including product proceeds. Each proposed and approved DUF6 Contractor proposal for the sale of product or inventory item shall be accounted for separately unless otherwise agreed to by the Contracting Officer. By submitting a proposal under this clause, the DUF6 Contractor grants the Contracting Officer or an authorized representative the right to examine DUF6 Contractor records including books, documents, and other types of factual information including cost and pricing data that will permit an adequate evaluation of claimed net acquisition savings.
 - (2) If the cost of maintaining detailed accounting records is not warranted by the savings to be realized, the Contracting Officer and the DUF6 Contractor may agree on alternative means by which savings can be measured.
- (h) The Government reserves the right to use or otherwise dispose of any or all DUF6 and products, including disposition to third parties. In particular, the Government retains the right to encourage and promote (including compensation) third party use of DUF6 or any resultant products of the conversion process.

H.2 MODIFICATION AUTHORITY

Notwithstanding any of the other clauses of this contract, the CO shall be the only individual authorized to:

- (a) Accept nonconforming work,
- (b) Waive any requirement of this contract, or
- (c) Modify any term or condition of this contract.

H.3 INCORPORATION OF REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFEROR

The representations, certifications, and other statements of offeror, completed by the Contractor, are hereby incorporated by reference.

H.4 FAR 52.234-4 EARNED VALUE MANAGEMENT SYSTEM (JUL 2006)

- (a) The Contractor shall use an earned value management system (EVMS) that has been determined by the Cognizant Federal Agency (CFA) to be compliant with the guidelines in ANSI/EIA Standard - 748 (current version at the time of award) to manage this Contract. If the Contractor's current EVMS has not been determined compliant at the time of award, see paragraph (b) of this clause. The Contractor shall submit reports in accordance with the requirements of this Contract.
- (b) If, at the time of award, the Contractor's EVM System has not been determined by the CFA as complying with EVMS guidelines or the Contractor does not have an existing cost/schedule control system that is compliant with the guidelines in ANSI/EIA Standard - 748 (current version at time of award), the Contractor shall—
 - (1) Apply the current system to the Contract; and
 - (2) Take necessary actions to meet the milestones in the Contractor's EVMS plan approved by the Contracting Officer.
- (c) The Government will conduct an Integrated Baseline Review (IBR). If a pre-award IBR has not been conducted, a post award IBR shall be conducted as early as practicable after Contract award.
- (d) The Contracting Officer may require an IBR at—
 - (1) Exercise of significant options; or
 - (2) Incorporation of major modifications.
- (e) Unless a waiver is granted by the CFA, Contractor proposed EVMS changes require approval of the CFA prior to implementation. The CFA will advise the Contractor of

the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the CFA, the Contractor shall disclose EVMS changes to the CFA at least 14 calendar days prior to the effective date of implementation.

(f) The Contractor shall provide access to all pertinent records and data requested by the Contracting Officer or a duly authorized representative as necessary to permit Government surveillance to ensure that the EVMS conforms, and continues to conform, with the performance criteria referenced in paragraph (a) of this clause.

(g) The Contractor shall require the subcontractors specified below to comply with the requirements of this clause: [Insert list of applicable subcontractors.]

H.5 DOE CONTRACT ADMINISTRATION AND OVERSIGHT

(a) The conversion facilities at the Portsmouth Gaseous Diffusion Plant and Paducah Gaseous Diffusion Plant present significant work scope challenges to the Contractor, and make it imperative that the DOE has a focused approach for providing oversight of the contractor work. This approach will provide effective DOE oversight of project work. The oversight approach will include reviews of submitted plans and periodic progress reports submitted by the Contractor and direct observation by DOE employees or their designated representatives of contractor work in progress.

(b) DOE oversight activities will focus primarily on ensuring safe operation and management of the conversion facilities. The Contractor shall respond to DOE oversight and to concerns, findings, and observations as identified by the CO or Contracting Officer's Representative (COR) during the conduct of these oversight activities. The areas of oversight are:

- (1) Project Management Oversight: This includes field inspections and the monthly assessment of project status, which will be used to determine and validate project performance.
- (2) Contract Management Oversight: Administration and monitoring of the contract will be in accordance with the contract terms and conditions, which include, but are not limited to, the oversight required under FAR Subpart G – Contract Management (FAR Parts 42-51) and its supplements.
- (3) Financial Management Oversight: DOE will review budgetary data submitted by the Contractor to be provided into the Integrated Accountability, and Budgeting System (IPABS). DOE or its representative will monitor and audit

contractor funds, management practices, and procedures to ensure compliance with applicable regulations and statutes.

(4) Regular Oversight: The COR, Safety System Oversight personnel, Facility Representatives, and/or Subject Matter Experts will conduct regular oversight and assessments. The purpose of these reviews will be to assess performance. In addition, to the daily involvement, the Contractor shall support:

- (i) Ongoing management walkthroughs conducted in areas of the project or locations where work is ongoing, if there is no danger to personnel or it does not require a shutdown of operations;
- (ii) Periodic walkthroughs by the regulators or DOE Headquarters personnel, if there is no danger to personnel or it does not require a shutdown of operations and;
- (iii) DOE participation in Contractor briefings, meetings, reviews, tests, and other contract-related activities; and,
- (iv) Contractor employee safety concerns elevated to DOE for evaluation per DOE Order 442.1A process.

H.6 WORK STOPPAGE AND SHUT DOWN AUTHORIZATION

- (a) Imminent Health and Safety Hazard is a given condition or situation which, if not immediately corrected, could result in a serious injury or death, including exposure to radiation and toxic/hazardous chemicals. Imminent Danger in relation to the Facility Safety Envelope is a condition, situation, or proposed activity which if not terminated could cause, prevent mitigation of, or seriously increase the risk of (1) radiation exposure, (2) toxic hazardous chemical exposure, (3) electrical/steam hazards, (4) fire/explosion and/or (5) personal injury or death.
- (b) Stop-Work: In the event of an imminent health and safety hazard, identified by conversion facility line management or operators or conversion facility health and safety personnel overseeing conversion facility operations, or other individuals, the individual or group identifying the imminent hazard situation shall immediately take actions to eliminate or mitigate the hazard (e.g., by directing the operator/implementer of the activity or process causing the imminent hazard to stop work, or by initiating emergency response actions or other actions) to protect the health and safety of the workers and the public, and to protect DOE facilities and the environment. In the event an imminent health and safety hazard is identified, the individual or group identifying the hazard should coordinate with an appropriate contractor official, who will direct the shutdown or other actions, as required. Such mitigating action should subsequently be coordinated with the DOE and contractor management. The suspension or stop-work will be promptly confirmed in writing from the CO.

- (c) Contractor and DOE employees have the right to recommend a facility shutdown, regardless of who is performing the activity, if continuation of that activity would be considered an imminent danger in relation to the Facility Safety Envelope.
- (d) Shutdown: In the event of an imminent danger in relation to the Facility Safety Envelope or a non-imminent health and safety hazard identified by conversion facility line management or operators, conversion facility health and safety personnel over-viewing conversion facility operations, or other individuals, the individual or group identifying the potential health and safety hazard may recommend facility shutdown in addition to any immediate actions needed to mitigate the situation. However, the recommendation must be coordinated with contractor management, and the COR. Any written direction to suspend operations shall be issued by the CO, pursuant to the Section F.1, clause entitled FAR 52.242-15 STOP WORK ORDER (AUG 1989) Alternate I (APR 1984).
- (e) Facility Representatives: DOE personnel designated as Facility Representatives (FR) provide the technical oversight of operations. The FR has the authority to “stop work,” which may apply to the suspension of operations of an entire plant, activity, or job. This stop-work authority is limited to an operation of a facility which is performing work the FR believes:
 - (1) Poses an imminent danger to health and safety of workers or the public if allowed to continue;
 - (2) Could adversely affect the safe operation of, or could cause serious damage to, the facility if allowed to continue; or
 - (3) Could result in the release of radiological or chemical hazards to the environment in excess of regulatory limits.
- (f) The CO may at any time during the performance of this contract issue an order stopping work in whole or in part due to environmental, safety, and health reasons.
- (g) This clause flows down to all subcontractors at all tiers. Therefore, the Contractor shall insert a clause, modified appropriately to substitute “contractor representatives” for “the CO” in all subcontracts.

H.7 DEAR 952.242-70 TECHNICAL DIRECTION (DEC 2000)

- (a) Performance of the work under this Contract shall be subject to the technical direction of the DOE Contracting Officer’s Representative (COR). The term “technical direction” is defined to include, without limitation:
 - (1) Providing direction to the Contractor that redirects Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of

inquiry, fill in details, or otherwise serve to accomplish the contractual Statement of Work.

- (2) Providing written information to the Contractor that assists in interpreting drawings, specifications, or technical portions of the work description.
 - (3) Reviewing and, where required by the Contract, approving, technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government.
- (b) The Contractor will receive a copy of the written COR designation from the Contracting Officer. It will specify the extent of the COR's authority to act on behalf of the Contracting Officer.
- (c) Technical direction must be within the scope of work stated in the Contract. The COR does not have the authority to, and may not, issue any technical direction that:
- (1) Constitutes an assignment of additional work outside the Statement of Work;
 - (2) Constitutes a change as defined in the Contract clause entitled "Changes;"
 - (3) In any manner causes an increase or decrease in the total estimated Contract cost, the fee (if any), or the time required for Contract performance;
 - (4) Changes any of the expressed terms, conditions or specifications of the Contract; or
 - (5) Interferes with the Contractor's right to perform the terms and conditions of the Contract.
- (d) All technical direction shall be issued in writing by the COR.
- (e) The Contractor must proceed promptly with the performance of technical direction duly issued by the COR in the manner prescribed by this clause and within its authority under the provisions of this clause. If, in the opinion of the Contractor, any instruction or direction by the COR falls within one of the categories defined in (c)(1) through (c)(5) of this clause, the Contractor must not proceed and must notify the Contracting Officer in writing within five (5) working days after receipt of any such instruction or direction and must request the Contracting Officer to modify the Contract accordingly. Upon receiving the notification from the Contractor, the Contracting Officer must:
- (1) Advise the Contractor in writing within thirty (30) days after receipt of the Contractor's letter that the technical direction is within the scope of the Contract effort and does not constitute a change under the Changes clause of the Contract;

- (2) Advise the Contractor in writing within a reasonable time that the Government will issue a written change order; or
- (3) Advise the Contractor in writing within a reasonable time not to proceed with the instruction or direction of the COR.
- (f) A failure of the Contractor and Contracting Officer either to agree that the technical direction is within the scope of the Contract or to agree upon the Contract action to be taken with respect to the technical direction will be subject to the provisions of the clause entitled "Disputes"

H.8 KEY PERSONNEL

- (a) The personnel specified below are considered to be essential to the work being performed hereunder. Prior to removing, replacing or diverting any of the specified individuals to other programs, the Contractor must notify the CO reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program and to obtain the CO's written approval.
- (b) The CO is to be notified reasonably in advance of diverting or substituting for any of these individuals. Notice shall be given not less than 60 days before diversion or substitution. No change shall be made by the Contractor without the written consent of the CO.
- (c) Unless approved in writing by the CO, no Key Personnel position will remain unfilled by a permanent replacement for more than 30 days. Whenever, for any reason, one or more of the employees listed in paragraph (e) below is unavailable for assignment for work under the contract, the Contractor shall, with the approval of the CO, replace such employee with an employee of substantially equal abilities and qualifications as compared to the incumbent employee, giving serious consideration to the benefits derived from utilizing the talents and capabilities of a diverse workforce. This clause may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.
- (d) The Contractor organizational structure shall have a Project Manager, a Project Business/Controls Manager, and Portsmouth and Paducah Plant Managers. The organizational structure shall identify any additional Key Personnel deemed essential to the work being performed.
- (e) Anytime any member of Key Personnel is replaced or removed for any reason under the Contractor's control within two years of contract award, or within two years of being placed in the position, whichever is later, the Contractor shall forfeit \$750,000 in fee if said Key Personnel is the Contractor's Project Manager and \$350,000 in fee for each occurrence with all other Key Personnel. Likewise, if within two years of

contract award, or within two years of being placed in the position, whichever is later, any Key Personnel voluntarily resigns, the Contractor shall forfeit \$750,000 in fee if said Key Personnel is the Contractor's Project Manager and \$350,000 in fee for each occurrence with all other Key Personnel. The Contractor may request, in writing, that the CO waive all or part of these reductions in fee, if special circumstances exist. The CO shall have unilateral discretion to waive or not to waive all or part of a fee reduction.

DESIGNATED KEY PERSONNEL

NAME	TITLE
_____	Project Manager
_____	Project Business/Controls Manager
_____	Plant Manager- Portsmouth
_____	Plant Manager- Paducah

- (f) Key Personnel positions are subject to DOE acceptance and approval.
- (g) The Contractor shall immediately notify the CO if the Contractor deems immediate removal or suspension of any member of Key Personnel is necessary to fulfill its obligation to maintain satisfactory standards of employee competency, conduct, and integrity under the clause in Section H.58 entitled "Contractor's Organization". The Contractor may remove or suspend such person at once, although the Contractor must notify the CO prior to or concurrently with such action.
- (h) The Contractor shall provide written commitment from each Key Personnel agreeing to the terms and conditions of this clause.

H.9 NO THIRD PARTY BENEFICIARIES--PORTSMOUTH, OH AND PADUCAH, KY

This Contract is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating or conferring any right of action or any other right or benefit upon past, present or future employees of the Contractor, or upon any other third party. This provision is not intended to limit or impair the rights which any person may have under applicable Federal statutes.

H.10 DEFINITIONS – PORTSMOUTH, OH

For purposes of Clause H.11, Workforce Transition and Employee Hiring Preferences – Portsmouth, OH; Clause H. 12, Employee Compensation: Pay and Benefits –

Portsmouth, OH; Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH; Clause H.14, Workforce Transition and Benefits Transition: Plans and Timeframes – Portsmouth, OH; H.15, Post-Contract Responsibilities For Pension and Other Benefit Plans – Portsmouth, OH; and H.16, Labor Relations – Portsmouth, OH, the following definitions are applicable (unless otherwise specified):

- (A) “Workforce Transition Period” means the six month period following the date of the Contract Notice to Proceed issued pursuant to Section F.2(a) of this Contract.
- (B) “Grandfathered Employees” means employees who are defined as Grandfathered Employees under the pension plan sponsored by the Uranium Disposition Services, LLC (UDS) (Uranium Disposition Services, LLC Pension Plan for Grandfathered Employees, (hereinafter “UDS Pension Plan”) in accordance with the terms of the UDS Pension Plan and applicable law.
- (C) “UDS Incumbent Contractor” means Uranium Disposition Services, LLC (UDS, LLC) and its first and second tier subcontractors at the Portsmouth Gaseous Diffusion Plant Site and/or at the UDS Office located in Lexington, Kentucky (Lexington Office) under Contract DOE DE-AC-05-02OR22717.
- (D) “UDS Incumbent Employees means employees (1) who hold regular appointments or who are regular employees on the rolls of UDS, LLC and Grandfathered Employees on the rolls of UDS, LLC’s first and second tier subcontractors; and (2) who are employed at the Portsmouth Gaseous Diffusion Plant Site and/or at the Lexington Office.
- (E) “USEC” means the United States Enrichment Corporation.
- (F) “USEC Employees” means employees who hold regular appointments or who are regular employees on the rolls of USEC at either the Portsmouth or Paducah Gaseous Diffusion Plant Site. The applicable site will be identified in the relevant paragraphs and/or clause(s). If employment at a specific site is not identified, the clause(s) or paragraphs are applicable to USEC Employees employed at both Gaseous Diffusion Plant Sites.
- (G) “Non-Grandfathered Employees” means employees who are not defined as Grandfathered Employees under the UDS Pension Plan in accordance with the terms of the UDS Pension Plan and applicable law.
- (H) “TPMC” means Theta Pro2Serve Management Company, LLC (TPMC, LLC) and its first and second tier subcontractors under DOE Contract DE-AC24-05OH20193.
- (I) “TPMC Employees” means employees (1) who hold regular appointments or who are regular employees on the rolls of TPMC, LLC and Grandfathered Employees on the rolls of TPMC, LLC’s first and second tier subcontractors; and (2) who are employed

at the Portsmouth Gaseous Diffusion Plant Site under DOE Contract DE-AC24-05OH20193 during the Workforce Transition Period.

- (J) “LPP” means LATA/Parallax Portsmouth, LLC (LPP, LLC) and its first and second tier subcontractors under DOE Contract DE-AC24-05OH20192.
- (K) “LPP Employees” means employees (1) who hold regular appointments or who are regular employees on the rolls of LPP, LLC and Grandfathered Employees on the rolls of LPP, LLC’s first and second tier subcontractors; and (2) who are employed at the Portsmouth Gaseous Diffusion Plant Site under DOE Contract DE-AC24-05OH20192 during the Workforce Transition Period.”
- (L) “Portsmouth Contractors” means the UDS Incumbent Contractor, LPP, TPMC, and USEC.

H.11 WORKFORCE TRANSITION AND EMPLOYEE HIRING PREFERENCES – PORTSMOUTH, OH

- (A) Hiring Preferences. Employees will receive a right of first refusal and /or other preference in hiring for vacancies for non-managerial positions (i.e. all those below the first line of supervision) in non-construction activities in Section C, Statement of Work (SOW), in accordance with this clause, any applicable collective-bargaining agreement(s), and site seniority, as set forth below.

- (1) During the Workforce Transition Period, the Contractor shall provide the right of first refusal and preferences in hiring in the following order of precedence:

- (a) The Contractor shall give a right of first refusal for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been identified by their employer as being at risk of being involuntarily separated, LPP Employees who have been identified by their employer as being at risk of being involuntarily separated, and TPMC Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Portsmouth Gaseous Diffusion Plant Site; and (3) who hold positions or perform functions during the Workforce Transition Period that are substantially equivalent to the vacancies in such non-managerial positions under this Contract and also to individuals who held positions or performed functions during the six months preceding the first day of the Workforce Transition Period that are substantially equivalent to the vacancies in such non-managerial positions under this Contract.
- (b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been

identified by their employer as being at risk of being involuntarily separated, LPP Employees who have been identified by their employer as being at risk of being involuntarily separated, and TPMC Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Portsmouth Gaseous Diffusion Plant Site; and (3) who meet the qualifications for a particular position.

(c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been identified by their employer as being at risk of being involuntarily separated, LPP Employees who have been identified by their employer as being at risk of being involuntarily separated, and TPMC Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Portsmouth Gaseous Diffusion Plant Site; and (3) who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.13(A).

(d) Subsequent to the application of the right of first refusal in Paragraph (A)(1)(a) and the preferences in hiring in Paragraphs (A)(1)(b) and (c) above, the Contractor shall give a preference in hiring for vacancies pursuant to Paragraph (A)(3) below.

(2) After the Workforce Transition Period and continuing throughout the remaining period of performance under this Contract, the right of first refusal and/or other preferences in hiring shall be provided in the following order of precedence:

(a) The Contractor shall give a right of first refusal in hiring for vacancies in non-managerial positions under this Contract to USEC Employees (1) who are employed at the Portsmouth Gaseous Diffusion Plant Site; (2) who have been identified by their employer as being at risk of being involuntarily separated; and (3) who hold or have held positions or perform or have performed functions which are substantially equivalent to vacancies in such non-managerial positions or functions under this Contract.

(b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract, to USEC Employees (1) who are employed at the Portsmouth Gaseous Diffusion Plant Site; and (2) who have been identified by their employer as being at risk of being involuntarily separated, in the following order of precedence:

- (i) USEC Employees who meet the qualifications for a particular position.
 - (ii) USEC Employees who may not meet the qualifications for a particular position but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.13(A).
- (c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to TPMC Employees and LPP Employees (1) who are employed at the Portsmouth Gaseous Diffusion Plant Site at the time of the vacancies; and (2) who have been identified by their employer as being at risk for involuntary separation, in the following order of precedence:
- (i) LPP Employees and TPMC Employees who hold positions or perform functions at the time the vacancy arises that are substantially equivalent to the vacancies in such non-managerial positions under this Contract.
 - (ii) LPP Employees and TPMC Employees who meet the qualifications for particular positions.
 - (iii) LPP Employees and TPMC Employees who may not meet the qualifications for a particular position but who agree to become qualified and can become qualified by the commencement of active employment under this Contract for the particular positions with the training provided pursuant to Clause H.13(A).

For purposes of this paragraph (2)(c), the phrase “during the Workforce Transition Period” contained in Clause H.10(I)(2) and (K)(2), is not applicable. The respective employees are to be employed at the Portsmouth Gaseous Diffusion Plant Site at the time of the vacancy.

- (d) Subsequent to the application of the right of first refusal in Paragraph (A)(2)(a) and the preferences in hiring in Paragraphs (A)(2)(b) and (c) above, the Contractor shall give a preference in hiring for vacancies in the order of precedence as set forth in Paragraph (A)(3) below.
- (3) During the entire period of performance under this Contract, but subordinate to the preferences set out in Paragraphs (A)(1)(a) – (c) and (A)(2)(a) – (c) above, the Contractor shall provide preferences in hiring in the following order of precedence:

- (a) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to USEC Employees employed at the Portsmouth Gaseous Diffusion Plant Site (1) who have been identified by their employer as being at risk of being involuntarily separated from employment by a plant closing or mass layoff (as such terms are defined in Section 2101(a)(2) and (3) of Title 29 of the United States Code) at the Portsmouth Gaseous Diffusion Plant Site; and (2) who are qualified and/or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.13(A).
- (b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are former employees of USEC, former employees of the UDS Incumbent Contractor, and former employees of the UDS Incumbent Contractor's first and second-tier subcontractors; and (2) who are entitled to recall rights consistent with any applicable site seniority and any applicable collective bargaining agreement(s) at the Portsmouth Gaseous Diffusion Plant Site.
- (c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are Grandfathered Employees and who are former employees of the UDS Incumbent Contractor, LPP, TPMC, and USEC at the Portsmouth Gaseous Diffusion Plant Site; (2) who have been involuntarily separated (other than for cause) from employment; and (3) who are eligible for the hiring preference contained in the clause in Section I of this Contract entitled "DEAR 952.226-74, Displaced Employee Hiring Preference" and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
- (d) The Contractor shall give a preference in hiring for non-managerial positions under this Contract to individuals (1) who are former employees of the UDS Incumbent Contractor, LPP, TPMC, and USEC; and any other DOE contractor at the Portsmouth Gaseous Diffusion Plant Site; (2) who were involuntarily separated (other than for cause) from employment; and (3) who are eligible for the hiring preference contained in the clause in Section I of this Contract entitled "DEAR 952.226-74, Displaced Employee Hiring Preference" and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.

- (e) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who were formerly employed by any other DOE contractor at a DOE defense nuclear facility; and (2) who are eligible for the hiring preference contained in the clause entitled "DEAR 952.226-74, Displaced Employee Hiring Preference" as provided in that clause and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
 - (f) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who were formerly employed at the Portsmouth Gaseous Diffusion Plant Site by the UDS Incumbent Contractor, LPP, TPMC, and USEC; (2) who were involuntarily separated (other than for cause) from their employment at the Portsmouth Gaseous Diffusion Plant Site; and (3) who are qualified for the position or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract.
 - (g) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who have separated from employment at the Portsmouth Gaseous Diffusion Plant Site; (2) who are not barred from seeking employment at the Portsmouth Gaseous Diffusion Plant Site by the terms of employee waivers or releases of claims they executed; and (3) who are qualified for a particular position or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract.
- (4) Clauses H.11(A)(1), (2), and (3) do not prohibit the Contractor from selecting the Contractor's existing employees at the Portsmouth Gaseous Diffusion Plant Site for positions or functions under this Contract.
- (B) Costs. Any costs incurred by the Contractor as a result of the Contractor's failure to comply with the hiring preferences as set forth in this Contract will be unallowable, unless such costs were incurred as the result of the Contracting Officer's direction.

H.12 EMPLOYEE COMPENSATION: PAY AND BENEFITS – PORTSMOUTH, OH

(A) Contractor Employee Compensation Plan

The Contractor shall submit by the end of the 90 day Mobilization and Transition Phase identified in Section F.2(b)(1), a Contractor Employee Compensation Plan

demonstrating how the Contractor will comply with the requirements of this Contract. The Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(B) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system Self-Assessment Plan consistent with FAR 31.205-6 and DEAR 970.3102-05-6; "Compensation for Personal Services" (Total Compensation System). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall meet the tests of allowability established by and in accordance with FAR 31.205-6 and DEAR 970.3102-05-6, be fully documented, consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the Contractor's documented Contractor Employee Compensation Plan approved by the Contracting Officer.

(C) Appraisals of Contractor Performance

DOE will conduct periodic appraisals of Contractor performance with respect to Total Compensation System implementation. Such appraisals will be conducted through either DOE validation of the Contractor's performance self-assessment of its Total Compensation System or third party expert review.

(D) Reports and Information

The Contractor shall provide the Contracting Officer the following reports and information with respect to pay and benefits provided under this Contract:

- (1) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) An Annual Report of Contractor Expenditures for Employee Supplemental Compensation through the Department Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of each year.

- (4) A performance self-assessment of the Total Compensation System implementation and results to include an evaluation of total benefits using the Employee Benefits Value Study and the Employee Benefits Cost Survey Comparison Analysis described in Paragraphs (F)(3)(a) and (b) below.

(E) Pay and Benefits Programs

The Contractor shall establish pay and benefit programs for employees in accordance with applicable law, the terms and conditions of this Contract, including Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH, applicable collective bargaining agreement(s), and the following requirements as set forth below; provided, however, that employees scheduled to work fewer than 20 hours per week receive only those benefits required by law. Employees are eligible for benefits, subject to the terms, conditions, and limitations of each benefit program.

(1) Pay

- (a) For at least the first year of the term of the Contract or the first year after issuance of the Contract Notice to Proceed, whichever is longer, the Contractor shall provide equivalent pay to the following employees hired by the Contractor as compared to pay provided to those employees by the UDS Incumbent Employees, LPP, TPMC, and/or USEC:
 - (i) UDS Incumbent Employees hired by the Contractor;
 - (ii) USEC Employees hired by the Contractor for positions or to perform functions for the Contractor that are substantially equivalent to the positions held or functions they performed for USEC at the Portsmouth Gaseous Diffusion Plant Site; and
 - (iii) LPP Employees and TPMC Employees hired by the Contractor for positions or to perform functions for the Contractor that are substantially equivalent to the positions held or functions they performed for their respective employers, LPP or TPMC at the Portsmouth Gaseous Diffusion Plant Site.
- (b) All other employees hired by the Contractor shall receive pay which is competitive with the industry from which the Contractor recruits its employees, and in accordance with the terms and conditions of this Contract, any applicable collective bargaining agreement(s), and applicable law, including Section 4(c) of the Service Contract Act, as applicable.

- (2) Pension and Other Benefits. The Contractor shall provide a total package of benefits to UDS Incumbent Employees, USEC Employees, LPP Employees, and TPMC Employees, and all other employees who are hired by the

Contractor in accordance with the terms and conditions of this Contract, any applicable collective bargaining agreement(s), and applicable law.

(3) Cash Compensation

- (a) The Contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement under the Contract:
 - (i) Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the Total Compensation System.
 - (ii) Any proposed major compensation program design changes prior to implementation.
 - (iii) An Annual Compensation Increase Plan (CIP).
 - (iv) Individual compensation actions for Key Personnel, including initial and proposed changes to base salary and/or payments under an Executive Incentive Compensation Plan.
 - (v) Any proposed establishment of an incentive compensation plan (variable pay plan/pay-at-risk).
- (b) The Contracting Officer's approval of individual compensation actions will be required only for key personnel as identified in Clause H.8, Key Personnel of this Contract, and all other named key personnel, management and senior personnel as identified by the Contracting Officer.
- (c) Severance Pay is not reimbursable under this Contract for an employee who:
 - (i) Voluntarily separates, resigns or retires from employment,
 - (ii) Is offered comparable employment with a successor/replacement contractor,
 - (iii) Is offered comparable employment with a parent or affiliated company, or
 - (iv) Is discharged for cause.
- (d) Service credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been

previously paid through a DOE cost-reimbursement contract.

(F) Pension and Other Benefit Programs

- (1) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
- (2) Cost reimbursement for pension and other benefit programs sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved "Employee Benefits Value Study" and an "Employee Benefits Cost Survey Comparison" as described below.
- (3) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in paragraphs (a) and (b) below. The studies shall be used by the Contractor as part of its performance self assessment described in Paragraph (D)(4) above and in calculating the cost of benefits under existing benefit plans. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan.
 - (a) An Employee Benefits Value Study (Ben-Val), every two years each for Grandfathered Employees and Non-Grandfathered Employees benefits, which is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor to Grandfathered Employees and Non-Grandfathered Employees measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources; and
 - (b) An Employee Benefits Cost Study Comparison, annually each for Grandfathered Employees and Non-Grandfathered Employees, that analyzes the Contractor's employee benefits cost for Grandfathered Employees and Non-Grandfathered Employees on a per capita basis per full time equivalent employee and as a percent of payroll and compares it with the cost reported by the U.S. Chamber of Commerce Annual Employee Benefits Cost Survey or other Contracting Officer approved broad based national survey.
- (4) When the net benefit value exceeds the comparator group by more than five percent, the Contractor shall submit a corrective action plan to the Contracting

Officer for approval.

- (5) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than five percent, when and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll.
- (6) Within two years of Contracting Officer approval of the Contractor's corrective action plan, the Contractor shall align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.
- (7) The Contractor shall submit the Report of Contractor Expenditures for Supplementary Compensation for the previous calendar year via the DOE Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of the current calendar year.
- (8) The Contractor may not terminate any benefit plan during the term of the Contract without the prior approval of the Contracting Officer in writing.
- (9) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on DOE approved service eligibility requirements for PRBs that shall be based on a minimum period of continuous employment service not less than five years under a DOE cost-reimbursement contract(s) immediately prior to retirement. Notwithstanding the previous sentence, the costs of PRBs will be reimbursed for individuals meeting the DOE-approved eligibility requirements of the applicable DOE-approved employee benefit plan. Unless required by Federal or state law, advance funding of PRBs is not allowable.

(G) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs

- (1) For cost allocability and reimbursement purposes, any defined benefit (DB) or defined contribution (DC) pension plans established and/or implemented by the Contractor shall be maintained consistent with the requirements of the Internal Revenue Code (IRC) and Employee Retirement Income Security Act (ERISA).
- (2) Contractor policies, practices, and procedures used in the administration of pension plans shall be consistent with applicable law.
- (3) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of Contract award.

- (4) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for service not performed under a DOE cost-reimbursement contract.
- (5) For each pension plan or portion of a pension plan for which DOE reimburses costs, the Contractor shall provide the Contracting Officer with the following information within nine months of the last day of the current pension plan year:
 - (a) Copies of IRS forms 5500 with schedules; and
 - (b) Copies of all forms in the 5300 series that document the establishment, amendment, termination, spin-off, or merger of a plan.
- (6) Prior to the adoption of any changes to a pension plan for which DOE reimburses costs, the Contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs to be incurred are consistent with the Contractor's documented Contractor Employee Compensation Plan and are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6:
 - (a) For proposed changes to pension plans and pension plan funding, an analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value; and
 - (b) The Contractor shall obtain the advance written approval of the Contracting Officer for any non-statutory pension plan changes that may increase costs or liabilities, and any proposed special programs (including, but not limited to, plan-loan features, employee contribution refunds, or ancillary benefits) and shall provide DOE with an analysis of the impact of special programs on the actuarial accrued liabilities of the pension plan, and on relative benefit value, if applicable.
- (7) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.

H.13 SPECIAL PROVISIONS APPLICABLE TO WORKFORCE TRANSITION AND EMPLOYEE COMPENSATION: PAY AND BENEFITS – PORTSMOUTH, OH

- (A) Training. The Contractor will establish a training program specifically for the purpose of training individuals pursuant to Clauses H.11(A)(1)(c), H.11(A)(2)(b)(ii) and (c)(iii), and H.11(A)(3)(a). The one-time training program will be provided to

individual employees and will not exceed six months in duration and \$5,000 in cost (subject to availability of funding) per person, in addition to wages and benefits.

(B) Benefit Plans. The Contractor shall provide pension and other benefit plans, to Grandfathered Employees and Non-Grandfathered Employees hired by the Contractor and service credit for leave as set forth below:

- (1) Grandfathered Employees. Grandfathered Employees shall be provided pension and other benefits in accordance with applicable law, any applicable collective bargaining agreement(s), and the provisions of the UDS Pension Plan and other existing benefit plans for Grandfathered Employees. Within 90 days after issuance of the Contract Notice To Proceed, the Contractor shall become the sponsor of the UDS Pension Plan, and other existing benefit plans (or comparable successor plans if continuation of the existing plans is not practicable) including post retirement benefit (PRB) plans, as applicable, for Grandfathered Employees and retired plan participants, with primary responsibility for management and administration of these plans. The Contractor shall also have primary responsibility for maintaining the qualified status of the plans. No employee who qualifies as a Grandfathered Employee under the UDS Pension Plan shall lose the right to participate in the UDS Pension Plan as a result of this transition.
- (2) Non-Grandfathered Employees. Non-Grandfathered Employees shall receive a benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees and in accordance with this Contract, any applicable collective bargaining agreement(s), and applicable law, including Section 4(c) of the Service Contract Act.
- (3) Sponsorship Timing. Notwithstanding any other clause in this Contract, the Contractor shall ensure that it becomes the sponsor of the UDS Pension Plan and other existing benefit plans (or comparable successor plans if continuation of the existing plans is not practicable) including post-retirement benefit (PRB) plans, as applicable, for Grandfathered Employees no later than the date that the Contractor becomes the employer for Grandfathered Employees at both the Portsmouth and Paducah Gaseous Diffusion Plant Sites, and at the Lexington Office, so that that there is uninterrupted and continuous participation by Grandfathered Employees in the foregoing plan(s).
- (4) Service Credit For Leave.
 - (a) For UDS Incumbent Employees, LPP Employees, and TPMC Employees, who are hired by the Contractor pursuant to Clauses H.11(A)(1)(a), (b), and (c), and (A)(2)(c), the Contractor shall carry over the length of service credit for leave as well as leave balances accrued as of the date these employees are hired by the Contractor. Service credit for the represented workforce shall be applied

consistently with any applicable collective bargaining agreement(s), and applicable law.

- (b) For USEC Employees hired by the Contractor, the Contractor shall carry over the length of service credit from USEC for purposes of determining rates of accruing leave for these employees as required by and consistent with any applicable collective bargaining agreement(s) and applicable law.

- (5) Service Credit for Fringe Benefits Other Than Leave. Consistent with the terms of the applicable benefit plan(s), the Contractor shall credit all UDS Incumbent Employees, LPP Employees, and TPMC Employees hired by the Contractor under this Contract with their current length of service toward fringe benefits, which also includes retirement benefits and severance pay. Consistent with the terms of the plan(s), the transition of these employees during the first six months of this Contract from the UDS Incumbent Contractor, LPP, TPMC, and USEC to the Contractor shall not constitute a break in service under the plan(s). Service credit for all individuals hired by the Contractor shall be applied consistent with any applicable collective bargaining agreement(s) and with applicable law. Service credit for purposes of severance pay is subject to Clause H.12(E)(3)(d).

- (C) Annual Actuarial Evaluations. Because the Contractor has the responsibility for administering and maintaining the qualified status of all pension and other benefit plans that it sponsors under this Contract, the Contractor shall submit to the Contracting Officer annual actuarial evaluations for all applicable benefit plans as well as certify that the benefit plans are in full compliance with IRC and ERISA requirements. Such certification shall demonstrate that the benefit plans are qualified under the IRC. This evaluation shall include but not be limited to written reports relating to how the benefit plans pass IRC discrimination, participation and coverage testing requirements. Each detailed annual written actuarial evaluation shall identify any conditions that may adversely affect the qualification status of the plans within eighteen months or less of the date of the evaluation including but not limited to discrimination, participation and coverage testing requirements.

- (1) Meeting Test Requirements. The Contractor shall establish threshold factors that – based upon the experience of the UDS Pension Plan regarding the testing requirements – indicate when the UDS Pension Plan may not meet testing requirements within the next two plan years. Every six months, the Contractor shall identify when it may not meet testing requirements for the current plan year and the following plan year.
- (2) Failure to Meet Test Requirements. In the case of the approved threshold factors described in Paragraph (C)(1) above and other factors as approved or requested by the Contracting Officer indicate that the Contractor may not meet testing requirements, the Contractor shall provide the Contracting Officer with a corrective action plan for addressing the potential or actual

failure to meet testing requirements and quarterly updates on the status for testing purposes. After the corrective action plan has been submitted, and approved by the Contracting Officer, the Contractor shall provide quarterly updates on the status for testing purposes.

- (D) Changes to the UDS Pension Plan. In addition to any other provisions of this Contract, including but not limited to Clauses H.12(G)(6) and (7), any changes or amendments to the UDS Pension Plan are subject to Contracting Officer prior approval and shall be in accordance with applicable law, including compliance with any applicable collective bargaining agreement(s).

H.14 WORKFORCE TRANSITION AND BENEFITS TRANSITION: PLANS AND TIMEFRAMES – PORTSMOUTH, OH

- (A) Workforce Transition Plan. The Contractor shall submit a written Workforce Transition Plan (WF Transition Plan) describing in detail the Contractor's plans and procedures as to how the Contractor will comply with the hiring preferences set forth in Clause H.11, Workforce Transition and Employee Hiring Preferences – Portsmouth, OH, Clause H.13(A), and this Paragraph (A). Notwithstanding timeframes identified elsewhere in the Contract, the Contractor shall perform the following activities in the specified timeframes:

- (1) Within ten days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (a) Submit to the Contracting Officer a description of any and all transition agreements that it intends to enter into with the Portsmouth Contractors to ensure compliance with Clauses H.11(A)(1) and (3) during the Mobilization and Transition Phase and during the second half of the Workforce Transition Period as defined in Clause H.10(A);
 - (b) Establish and submit to the Contracting Officer a written communication plan that details the communication that the Contractor and its subcontractors will engage in with the Portsmouth Contractors regarding implementation of the hiring preference requirements set forth in Clauses H.11(A)(1) and (3);
 - (c) Provide estimated costs and detailed breakouts of the costs to accomplish workforce transition activities within the timeframes specified; and
 - (d) Obtain information from the Portsmouth Contractors identifying their employees that have initially been identified as being at risk of being involuntarily separated. Provide and define a process as part of the transition agreements required in paragraph (1)(a) above for obtaining updated and continuous information throughout the Workforce

Transition Period regarding the identification of employees by the Portsmouth Contractors that have been identified as being at risk of being involuntarily separated.

- (2) Within 15 days after the issuance of the Contract Notice to Proceed, the Contractor shall:
 - (a) Submit to the Contracting Officer copies of the draft WF Transition Plan for the Contractor and its first and second tier subcontractors, including processes and procedures regarding how the Contractor will implement and ensure compliance with the hiring preferences set forth in Clauses H.11(A)(1) and (3); and
 - (b) Establish a written communication plan with the UDS Incumbent Employees, LPP Employees, TPMC Employees, and USEC Employees regarding the implementation of the hiring preferences in Clauses H.11(A)(1) and (3) and provide a copy to the Contracting Officer.
- (3) Within 30 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer copies of the final Plan (WT Transition Plan) and the draft transition agreements in H.14(A)(1)(a), it proposes to enter into consistent with requirements of Clauses H.11(A)(1) and (3) and Paragraphs (A)(1) and (2).
- (4) Within 60 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer copies of the final transition agreements described in H.14(A)(1)(a).
- (5) The Contractor shall submit reports to the Contracting Officer regarding the Contractor's and its subcontractors' implementation of the hiring preferences required by Clause H.11, Workforce Transition and Employee Hiring Preferences – Portsmouth, OH, in accordance with the timeframes set forth below. These reports shall include at a minimum the following information: employee hire dates or anticipated hire dates, employee salary levels, and the names of the former employers of the employees hired by the Contractor and/or hired by the Contractor's first and second tier subcontractors.
 - (a) During the Mobilization and Transition Phase identified in Section F.2(b)(1), such reports shall be provided to the Contracting Officer on a weekly basis.
 - (b) During the remainder of the Workforce Transition Period, such reports shall be provided to the Contracting Officer on a biweekly basis.

- (c) After the Workforce Transition Period as defined in Clause H.10(A), such reports shall be provided within the timeframes as requested by the Contracting Officer.
- (6) Within six months after the issuance of the Contract Notice to Proceed, the Contractor shall provide a written description of the process that it will utilize in obtaining information from USEC, LPP, and TPMC regarding their respective employees who have been identified as being at risk of being involuntarily separated in order to comply with Clauses H.11(A)(2) and (A)(3)(a). The Contractor shall provide copies of all and any written agreements into which it has entered with both USEC, LPP (when applicable), and TPMC (when applicable) for transitioning their respective employees pursuant to Clauses H.11(A)(2) and (A)(3)(a).
- (B) Benefits Transition. The Contractor shall submit a written draft Benefits Transition Plan within 20 days after issuance of the Contract Notice to Proceed describing in detail the Contractor's plans and procedures as to how the Contractor will comply with Clause H.12, Employee Compensation: Pay and Benefits – Portsmouth, OH, Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH, and this Paragraph (B). The Contractor shall provide a final written Benefits Transition Plan to the Contracting Officer within 30 days after issuance of the Contract Notice to Proceed. All transitions of the UDS Pension Plan and other existing benefit plans, as well as establishment of any new plans, shall be completed within 90 days after issuance of the Contract Notice to Proceed.
 - (1) The Contractor shall perform the following activities within the specified timeframes:
 - (a) Within ten days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (i) Provide the Contracting Officer with a list of Contractor personnel who will be responsible for transition of the UDS Pension Plan and other existing benefit plans and/or development of new benefit plans, including specifically the personnel responsible for ensuring assumption of the lead sponsorship of the UDS Pension Plan by the Contractor and contact information for the above personnel;
 - (ii) Request the UDS Incumbent Contractor to provide information and documents necessary for the Contractor to adhere to the requirements set forth in this Contract pertaining to sponsorship of the UDS Pension Plan and other existing benefits plans or establishment of any new benefits plans, including but not limited to the transition of the existing

pension and other benefit plans or establishment of any new benefits plans on or before the end of the Mobilization and Transition Phase identified in Section F.2(b)(1);

(iii) Provide estimated costs and detailed breakouts of the costs to accomplish workforce and benefits transition activities within the timeframes specified, including the costs for enrolled actuaries and counsel.

(b) Within 15 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer a list of the information and documents that the Contractor has requested from UDS pertaining to the transition of the UDS Pension Plan, and other existing benefit plans. The Contractor shall notify the Contracting Officer on a timely basis of any issues or problems that it encounters in obtaining information or documents requested from UDS. Regardless of such notification, the Contractor remains responsible under this Contract for ensuring compliance with the terms of this Contract, including the timeframes set forth in this clause and the requirements in Clause H.11, Workforce Transition and Employee Hiring Preferences, Clause H.12, Employee Compensation: Pay and Benefits – Portsmouth, OH and Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH.

(c) Within 20 days after issuance of the Contract Notice to Proceed, the Contractor shall:

(i) Submit a detailed description of its plans and processes, including timeframes and specific projected dates for accomplishment of each activity necessary to ensure compliance with the requirements set forth in Clauses H.12 (E) and H.13(B), including requirements pertaining to the transition of employee benefit plans; and

(ii) Meet via televideo, teleconference, and/or in person with relevant personnel who administer the benefit plans for the UDS Incumbent Contractor. The meeting shall include the Contractor's benefit plan administrators and personnel, head of human resources, ERISA counsel, actuaries, and any and all other personnel deemed necessary by the Contractor. During such meeting, the Contractor shall discuss all matters necessary to ensure the Contractor adheres to its sponsorship obligations under Clauses H.12(E)(2) and H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH, including

execution of transition agreements with the Portsmouth Contractors, as applicable. The minutes of the meeting, as well as a written description of any substantive issues identified at the meeting, shall be submitted to the Contracting Officer within two days after the meeting.

- (d) Within 30 days after issuance of the Contract Notice to Proceed and as part of the written Benefits Transition Plan, the Contractor shall provide a written description of how the existing pension and other benefit plans provided to employees pursuant to Clause H.12, Employee Compensation: Pay and Benefits – Portsmouth, OH, and Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH will be amended or restated on or before the last day of the Mobilization and Transition Phase. If an asset transfer(s) and/or the creation of a new benefit plan(s) are necessary in order for the Contractor to adhere to the benefits sponsorship requirements set forth in this Contract, the Contractor shall provide a description of the necessary transactions including but not limited to how the Contractor proposes to comply with the Contract and applicable law and regulations governing such transactions.
- (e) Within 45 days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (i) Submit to the Contracting Officer a draft Contractor Employee Compensation Plan demonstrating how the Contractor will comply with the requirements of this Contract regarding employee compensation. The draft Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support, at a reasonable cost, the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.
 - (ii) Submit to the Contracting Officer drafts of all amendments to or restatements of the pension and other benefit plans presently sponsored by the UDS Incumbent Contractor including but not limited to amendments effectuating the change in lead sponsorship and administration of the UDS Pension Plan. If applicable, the Contractor shall also submit all draft restated benefit plans and draft Summary Plan Descriptions (SPDs) for pension and other benefit plans sponsored by the UDS Incumbent Contractor. Any and all such amendments shall comply with applicable law governing such transactions and changes in sponsorship of the plans.

- (iii) Submit to the Contracting Officer drafts of any new benefit plan(s) as well as draft SPDs that the Contractor proposes to sponsor.
 - (iv) Provide draft copies of the transition agreements which the Contractor will enter into with the Portsmouth Contractors to ensure the Contractor's compliance with the pay and benefits requirements set forth in Clauses H.12, Employee Compensation: Pay and Benefits – Portsmouth, OH and H.13 Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH. Copies of these executed transition agreements shall be provided to the Contracting Officer within two days of execution, but in no event later than the last day of the Mobilization and Transition Phase.
- (f) No later than 60 days after the issuance of the Contract Notice to Proceed and prior to the adoption of the documents identified in Paragraphs (B)(1)(e)(ii) and (iii) above, the Contractor shall submit the proposed final versions of these documents to the Contracting Officer for approval.
 - (g) The Contractor shall respond to any comments provided by the Contracting Officer under any of the above paragraphs within two days of receipt of the comments.
- (2) After the Workforce Transition Period and throughout the remaining period of performance of the Contract, the Contractor shall provide the following information promptly to the Contracting Officer upon the request of the Contracting Officer:
- (a) Documents relating to benefit plans offered to Contractor Employees, including but not limited to SPDs, all Plan documents, applicable amendments, employee handbooks that summarize benefits provided to employees and other documents that describe benefits provided to employees of the Contractor who perform work on this Contract, and
 - (b) Any and all other documents pertaining to implementation of and compliance with implementation of the compensation and benefit programs identified in Clause H.12, Employee Compensation: Pay and Benefits – Portsmouth, OH and Clause H.13, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Portsmouth, OH.

**H.15 POST-CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER
BENEFIT PLANS – PORTSMOUTH, OH**

- (A) If this Contract expires, terminates, and/or is terminated partially or completely and DOE has awarded a contract under which a new contractor becomes the sponsor and assumes responsibility for management and administration of the UDS Pension Plan or any other benefit plans (collectively, the “Plans”), covering active or retired Grandfathered Employees and Non-Grandfathered Employees with respect to employees at Portsmouth and Paducah Gaseous Diffusion Plant Sites, the Contractor shall cooperate with and transfer to the new contractor the responsibility for sponsorship, and management and administration of such Plans consistent with direction from the Contracting Officer.
- (B) If this Contract expires, terminates and/or is terminated partially or completely and DOE has not awarded a contract to a new contractor under which a new contractor becomes a sponsor and assumes responsibility for management and administration of the Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be “Contract Completion” for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of the Contract, the following actions shall occur regarding the Contractor’s obligations regarding the Plans at the time of Contract Completion:
- (1) Subject to Paragraph (B)(2) below and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the Plans, the Contractor shall remain the sponsor of the Plans, in accordance with applicable legal requirements.
 - (2) The Contractor and DOE shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of “Contract Completion.” However, if the Contractor and DOE have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of “Contract Completion,” unless and until such agreement is reached, the Contractor shall comply with written direction from the Contracting Officer regarding the Contractor's responsibilities for continued provision of pension and welfare benefits under the Plans, including but not limited to continued sponsorship of the Plans, in accordance with applicable legal requirements. To the extent that the Contractor incurs costs in implementing direction from the Contracting Officer, the Contractor’s costs will be reimbursed pursuant to applicable contract provisions.
- (C) Because the UDS Pension Plan and other benefit plans for Grandfathered Employees is a single employer pension plan, notwithstanding paragraphs (A) and (B) above, the

Contractor shall remain the sponsor of the UDS Pension Plan and other benefit plans for Grandfathered Employees at both the Portsmouth and Paducah Gaseous Diffusion Plant Sites, unless and until the Contracting Officer directs the Contractor to proceed in accordance with paragraphs (A) and (B) above.

- (D) In the event a transfer of assets into or from the UDS Pension Plan is determined to be necessary, the Contractor shall cooperate fully in the transfer of any assets in a manner consistent with any fiduciary duty, applicable law and subject to the approval and direction of the Contracting Officer.

H.16 LABOR RELATIONS – PORTSMOUTH, OH

- (A) The Contractor shall respect the right of employees to organize and to form, join, or assist labor organizations, to bargain collectively through their chosen labor representatives, to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of these activities.
- (B) The Contractor shall meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to negotiations of any collective bargaining agreement or revision thereto and shall consult with and obtain the approval of the Contracting Officer regarding appropriate economic bargaining parameters, including those for pension and medical benefit costs, prior to the Contractor entering into the collective bargaining process. During the collective bargaining process, the Contractor shall notify the Contracting Officer before submitting or agreeing to any collective bargaining proposal which can be calculated to affect allowable costs under this Contract or which could involve other items of special interest to the Government. During the collective bargaining process, the Contractor shall obtain the approval of the Contracting Officer before proposing or agreeing to changes in any pension or other benefit plans.
- (1) The Contractor will seek to maintain harmonious bargaining relationships that reflect a judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR Subpart 22.1 and DEAR Subpart 970.2201 and all applicable Federal and state labor relations law.
- (2) The Contractor will notify the Contracting Officer or designee in a timely fashion of all labor relations issues and matters of local interest including organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement agreements and will furnish such additional information as may be required from time to time by the Contracting Officer.
- (C) Consistent with applicable labor law and regulations for that work that is being performed by members of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers (USW) on the effective date of this Contract, the Contractor agrees to initially consult with USW regarding the initial

terms and conditions of employment and to recognize USW as the collective-bargaining representative for employees performing work that has historically and traditionally been performed by USW members and is covered in the scope of this Contract, and to bargain in good faith to a collective bargaining agreement that gives due consideration to applicable terms and conditions of the existing UDS, LPP, TPMC, and USEC collective bargaining agreement(s) for work at the Portsmouth Gaseous Diffusion Plant Site.

H.17 WORKFORCE RESTRUCTURING- PORTSMOUTH, OH

Notwithstanding any other provision in this Contract, when the Contractor determines that a reduction of force is necessary, the Contractor shall notify the Contracting Officer in writing in accordance with DOE 350.1 and other related guidance. The Contractor shall provide information as directed by the Contracting Officer related to workforce restructuring activities and to enable compliance with Section 3161 of the *National Defense Authorization Act for Fiscal Year 1993* and any other DOE guidance pertaining to employees who may be eligible for provisions of the Act. The Contractor shall supply workforce restructuring related information and reports as needed by DOE. The Contractor shall extend displaced employee hiring preferences in accordance with the Section I Clause entitled, *DEAR 952.226-74*, Displaced Employee Hiring Preference and Clause H.11, Workforce Transition and Employee Hiring Preferences – Portsmouth, OH.

H.18 DEFINITIONS – PADUCAH, KY

For purposes of Clause H.19, Workforce Transition and Employee Hiring Preferences – Paducah, KY; Clause H. 20, Employee Compensation: Pay and Benefits – Paducah, KY; Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY; Clause H.22, Workforce Transition and Benefits Transition: Plans and Timeframes – Paducah, KY; H.23, Post-Contract Responsibilities For Pension and Other Benefit Plans – Paducah, KY; and H.24, Labor Relations – Paducah, KY, the following definitions are applicable (unless otherwise specified):

- (A) “Workforce Transition Period” means the six month period following the date of the Contract Notice to Proceed issued pursuant to Section F.2(a) of this Contract.
- (B) “Grandfathered Employees” means employees who are defined as Grandfathered Employees under the pension plan sponsored by the Uranium Disposition Services, LLC (UDS) (Uranium Disposition Services, LLC Pension Plan for Grandfathered Employees, (hereinafter “UDS Pension Plan”) in accordance with the terms of the UDS Pension Plan and applicable law.
- (C) “UDS Incumbent Contractor” means Uranium Disposition Services, LLC (UDS, Inc.) and its first and second tier subcontractors at the Paducah Gaseous Diffusion Plant Site and/or at the UDS Office located in Lexington, Kentucky (Lexington Office) under Contract DOE DE-AC-05-02OR22717.

- (D) “UDS Incumbent Employees means employees (1) who hold regular appointments or who are regular employees on the rolls of UDS, Inc and Grandfathered Employees on the rolls of UDS Inc’s first and second tier subcontractors; and (2) who are employed at the Paducah Gaseous Diffusion Plant Site and/or at the Lexington Office.
- (E) “USEC” means the United States Enrichment Corporation.
- (F) “USEC Employees” means employees who hold regular appointments or who are regular employees on the rolls of USEC at either the Portsmouth or Paducah Gaseous Diffusion Plant Site. The applicable site will be identified in the relevant paragraphs and/or clause(s). If employment at a specific site is not identified, the clause(s) or paragraphs are applicable to USEC Employees employed at both Gaseous Diffusion Plant Sites.
- (G) “Non-Grandfathered Employees” means employees who are not defined as Grandfathered Employees under the UDS Pension Plan in accordance with the terms of the UDS Pension Plan and applicable law.
- (H) “SST” means Swift & Staley mechanical Contractors, Inc (SST, Inc) and its first and second tier subcontractors under DOE Contract DE-AC24-05OH20178.
- (I) “SST Employees” means employees (1) who hold regular appointments or who are regular employees on the rolls of SST, Inc and Grandfathered Employees on the rolls of SST, Inc’s first and second tier subcontractors; and (2) who are employed at the Paducah Gaseous Diffusion Plant Site under DOE Contract DE-AC24-05OH20178 during the Workforce Transition Period.
- (J) “PRS” means Paducah Remediation Services, LLC (PRS, LLC) and its first and second tier subcontractors under DOE Contract DE-AC30-06EW05001.
- (K) “PRS Employees” means employees (1) who hold regular appointments or who are regular employees on the rolls of PRS, LLC and Grandfathered Employees on the rolls of PRS, LLC’s first and second tier subcontractors; and (2) who are employed at the Paducah Gaseous Diffusion Plant Site under DOE Contract DE-AC30-06EW05001 during the Workforce Transition Period.
- (L) “Paducah Contractors” means the UDS Incumbent Contractor, PRS, SST, and USEC.

H.19 WORKFORCE TRANSITION AND EMPLOYEE HIRING PREFERENCES – PADUCAH, KY

- (A) Hiring Preferences. Employees will receive a right of first refusal and /or other preference in hiring for vacancies for non-managerial positions (i.e. all those below the first line of supervision) in non-construction activities in Section C, Statement of

Work (SOW), in accordance with this clause, any applicable collective-bargaining agreement(s), and site seniority, as set forth below.

(1) During the Workforce Transition Period, the Contractor shall provide the right of first refusal and preferences in hiring in the following order of precedence:

- (a) The Contractor shall give a right of first refusal for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been identified by their employer as being at risk of being involuntarily separated, PRS Employees who have been identified by their employer as being at risk of being involuntarily separated, and SST Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Paducah Gaseous Diffusion Plant Site; and (3) who hold positions or perform functions during the Workforce Transition Period that are substantially equivalent to the vacancies in such non-managerial positions under this Contract and also to individuals who held positions or performed functions during the six months preceding the first day of the Workforce Transition Period that are substantially equivalent to the vacancies in such non-managerial positions under this Contract.
- (b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been identified by their employer as being at risk of being involuntarily separated, PRS Employees who have been identified by their employer as being at risk of being involuntarily separated, and SST Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Paducah Gaseous Diffusion Plant Site; and (3) who meet the qualifications for a particular position.
- (c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are UDS Incumbent Employees, USEC Employees who have been identified by their employer as being at risk of being involuntarily separated, PRS Employees who have been identified by their employer as being at risk of being involuntarily separated, and SST Employees who have been identified by their employer as being at risk of being involuntarily separated; (2) who are employed at the Paducah Gaseous Diffusion Plant Site; and (3) who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.21(A).

(d) Subsequent to the application of the right of first refusal in Paragraph (A)(1)(a) and the preferences in hiring in Paragraphs (A)(1)(b) and (c) above, the Contractor shall give a preference in hiring for vacancies pursuant to Paragraph (A)(3) below.

(2) After the Workforce Transition Period and continuing throughout the remaining period of performance under this Contract, the right of first refusal and/or other preferences in hiring shall be provided in the following order of precedence:

(a) The Contractor shall give a right of first refusal in hiring for vacancies in non-managerial positions under this Contract to USEC Employees (1) who are employed at the Paducah Gaseous Diffusion Plant Site; (2) who have been identified by their employer as being at risk of being involuntarily separated; and (3) who hold or have held positions or perform or have performed functions which are substantially equivalent to vacancies in such non-managerial positions or functions under this Contract.

(b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract, to USEC Employees (1) who are employed at the Paducah Gaseous Diffusion Plant Site; and (2) who have been identified by their employer as being at risk of being involuntarily separated, in the following order of precedence:

(i) USEC Employees who meet the qualifications for a particular position.

(ii) USEC Employees who may not meet the qualifications for a particular position but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.21 (A).

(c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to SST Employees and PRS Employees (1) who are employed at the Paducah Gaseous Diffusion Plant Site at the time of the vacancies; and (2) who have been identified by their employer as being at risk for involuntary separation, in the following order of precedence:

(i) PRS Employees and SST Employees who hold positions or perform functions at the time the vacancy arises that are substantially equivalent to the vacancies in such non-managerial positions under this Contract.

- (ii) PRS Employees and SST Employees who meet the qualifications for particular positions.
- (iii) PRS Employees and SST Employees who may not meet the qualifications for a particular position but who agree to become qualified and can become qualified by the commencement of active employment under this Contract for the particular positions with the training provided pursuant to Clause H.21(A).

For purposes of this paragraph (2)(c), the phrase “during the Workforce Transition Period” contained in Clause H.18(I)(2) and (K)(2), is not applicable. The respective employees are to be employed at the Paducah Gaseous Diffusion Plant Site at the time of the vacancy.

- (d) Subsequent to the application of the right of first refusal in Paragraph (A)(2)(a) and the preferences in hiring in Paragraphs (A)(2)(b) and (c) above, the Contractor shall give a preference in hiring for vacancies in the order of precedence as set forth in Paragraph (A)(3) below.
- (3) During the entire period of performance under this Contract, but subordinate to the preferences set out in Paragraphs (A)(1)(a) – (c) and (A)(2)(a) – (c) above, the Contractor shall provide preferences in hiring in the following order of precedence:
- (a) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to USEC Employees employed at the Paducah Gaseous Diffusion Plant Site (1) who have been identified by their employer as being at risk of being involuntarily separated from employment by a plant closing or mass layoff (as such terms are defined in Section 2101(a)(2) and (3) of Title 29 of the United States Code) at the Paducah Gaseous Diffusion Plant Site; and (2) who are qualified and/or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract with the training provided pursuant to Clause H.21(A).
 - (b) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are former employees of USEC, former employees of the UDS Incumbent Contractor, and former employees of the UDS Incumbent Contractor’s first and second-tier subcontractors; and (2) who are entitled to recall rights consistent with any applicable site seniority and any applicable collective bargaining agreement(s) at the Paducah Gaseous Diffusion Plant Site.

- (c) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who are Grandfathered Employees and who are former employees of the UDS Incumbent Contractor, PRS, SST, and USEC at the Paducah Gaseous Diffusion Plant Site; (2) who have been involuntarily separated (other than for cause) from employment; and (3) who are eligible for the hiring preference contained in the clause in Section I of this Contract entitled "DEAR 952.226-74, Displaced Employee Hiring Preference" and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
- (d) The Contractor shall give a preference in hiring for non-managerial positions under this Contract to individuals (1) who are former employees of the UDS Incumbent Contractor, PRS, SST, and USEC; and any other DOE contractor at the Paducah Gaseous Diffusion Plant Site; (2) who were involuntarily separated (other than for cause) from employment; and (3) who are eligible for the hiring preference contained in the clause in Section I of this Contract entitled "DEAR 952.226-74, Displaced Employee Hiring Preference" and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
- (e) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who were formerly employed by any other DOE contractor at a DOE defense nuclear facility; and (2) who are eligible for the hiring preference contained in the clause entitled "DEAR 952.226-74, Displaced Employees Hiring Preference" as provided in that clause and with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
- (f) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who were formerly employed at the Paducah Gaseous Diffusion Plant Site by the UDS Incumbent Contractor, PRS, SST, and USEC; (2) who were involuntarily separated (other than for cause) from their employment at the Paducah Gaseous Diffusion Plant Site; and (3) who are qualified for the position or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract.

- (g) The Contractor shall give a preference in hiring for vacancies in non-managerial positions under this Contract to individuals (1) who have separated from employment at the Paducah Gaseous Diffusion Plant Site; (2) who are not barred from seeking employment at the Paducah Gaseous Diffusion Plant Site by the terms of employee waivers or releases of claims they executed; and (3) who are qualified for a particular position or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract.
- (4) Clauses H.19 (A)(1), (2), and (3) do not prohibit the Contractor from selecting the Contractor's existing employees at the Portsmouth Gaseous Diffusion Plant Site for positions or functions under this Contract
- (B) Costs. Any costs incurred by the Contractor as a result of the Contractor's failure to comply with the hiring preferences as set forth in this Contract will be unallowable, unless such costs were incurred as the result of the Contracting Officer's direction.

H.20 EMPLOYEE COMPENSATION: PAY AND BENEFITS – PADUCAH, KY

(A) Contractor Employee Compensation Plan

The Contractor shall submit by the end of the 90 day Mobilization and Transition Phase identified in Section F.2(b)(1), a Contractor Employee Compensation Plan demonstrating how the Contractor will comply with the requirements of this Contract. The Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(B) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system Self-Assessment Plan consistent with FAR 31.205-6 and DEAR 970.3102-05-6; "Compensation for Personal Services" (Total Compensation System). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall meet the tests of allowability established by and in accordance with FAR 31.205-6 and DEAR 970.3102-05-6, be fully documented, consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the Contractor's documented Contractor Employee Compensation Plan approved by the Contracting Officer.

(C) Appraisals of Contractor Performance

DOE will conduct periodic appraisals of Contractor performance with respect to Total Compensation System implementation. Such appraisals will be conducted through either DOE validation of the Contractor's performance self-assessment of its Total Compensation System or third party expert review.

(D) Reports and Information

The Contractor shall provide the Contracting Officer the following reports and information with respect to pay and benefits provided under this Contract:

- (1) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) An Annual Report of Contractor Expenditures for Employee Supplemental Compensation through the Department Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of each year.
- (4) A performance self-assessment of the Total Compensation System implementation and results to include an evaluation of total benefits using the Employee Benefits Value Study and the Employee Benefits Cost Survey Comparison Analysis described in Paragraphs (F)(3)(a) and (b) below.

(E) Pay and Benefits Programs

The Contractor shall establish pay and benefit programs for employees in accordance with applicable law, the terms and conditions of this Contract, including Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY, applicable collective bargaining agreement(s), and the following requirements as set forth below; provided, however, that employees scheduled to work fewer than 20 hours per week receive only those benefits required by law. Employees are eligible for benefits, subject to the terms, conditions, and limitations of each benefit program.

(1) Pay

- (a) For at least the first year of the term of the Contract or the first year after issuance of the Contract Notice to Proceed, whichever is longer the Contractor shall provide equivalent pay to the following employees hired by the Contractor as compared to pay provided to those

employees by the UDS Incumbent Employees, PRS, SST, and/or USEC:

- (i) UDS Incumbent Employees hired by the Contractor;
 - (ii) USEC Employees hired by the Contractor for positions or to perform functions for the Contractor that are substantially equivalent to the positions held or functions they performed for USEC at the Paducah Gaseous Diffusion Plant Site; and
 - (iii) PRS Employees and SST Employees hired by the Contractor for positions or to perform functions for the Contractor that are substantially equivalent to the positions held or functions they performed for their respective employers, PRS, and SST at the Paducah Gaseous Diffusion Plant Site.
- (b) All other employees hired by the Contractor shall receive pay which is competitive with the industry from which the Contractor recruits its employees, and in accordance with the Contract, any applicable collective bargaining agreement(s), and applicable law, including Section 4(c) of the Service Contract Act.
- (2) Pension and Other Benefits. The Contractor shall provide a total package of benefits to UDS Incumbent Employees, USEC Employees, PRS Employees, and SST Employees, and all other employees who are hired by the Contractor in accordance with the terms and conditions of this Contract, any applicable collective bargaining agreement(s), and applicable law.
- (3) Cash Compensation
- (a) The Contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement under the Contract:
 - (i) Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the Total Compensation System.
 - (ii) Any proposed major compensation program design changes prior to implementation.
 - (iii) An Annual Compensation Increase Plan (CIP).
 - (iv) Individual compensation actions for Key Personnel, including initial and proposed changes to base salary and/or payments under an Executive Incentive Compensation Plan.

- (v) Any proposed establishment of an incentive compensation plan (variable pay plan/pay-at-risk).
- (b) The Contracting Officer's approval of individual compensation actions will be required only for key personnel as identified in Clause H.8, Key Personnel of this Contract, and all other named key personnel, management and senior personnel as identified by the Contracting Officer.
- (c) Severance Pay is not reimbursable under this Contract for an employee who:
 - (i) Voluntarily separates, resigns or retires from employment,
 - (ii) Is offered comparable employment with a successor/replacement contractor,
 - (iii) Is offered comparable employment with a parent or affiliated company, or
 - (iv) Is discharged for cause.
- (d) Service credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost-reimbursement contract.

(F) Pension and Other Benefit Programs

- (1) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
- (2) Cost reimbursement for pension and other benefit programs sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved "Employee Benefits Value Study" and an "Employee Benefits Cost Survey Comparison" as described below.
- (3) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in paragraphs (a) and (b) below. The studies shall be used by the Contractor as part of its performance self assessment described in Paragraph (D)(4) above and in calculating the cost of benefits under existing benefit plans. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan.

- (a) An Employee Benefits Value Study (Ben-Val), every two years each for Grandfathered Employees and Non-Grandfathered Employees benefits, which is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor to Grandfathered Employees and Non-Grandfathered Employees measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources; and
 - (b) An Employee Benefits Cost Study Comparison, annually each for Grandfathered Employees and Non-Grandfathered Employees, that analyzes the Contractor's employee benefits cost for Grandfathered Employees and Non-Grandfathered Employees on a per capita basis per full time equivalent employee and as a percent of payroll and compares it with the cost reported by the U.S. Chamber of Commerce Annual Employee Benefits Cost Survey or other Contracting Officer approved broad based national survey.
- (4) When the net benefit value exceeds the comparator group by more than five percent, the Contractor shall submit a corrective action plan to the Contracting Officer for approval.
 - (5) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than five percent, when and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll.
 - (6) Within two years of Contracting Officer approval of the Contractor's corrective action plan, the Contractor shall align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.
 - (7) The Contractor shall submit the Report of Contractor Expenditures for Supplementary Compensation for the previous calendar year via the DOE Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of the current calendar year.
 - (8) The Contractor may not terminate any benefit plan during the term of the

Contract without the prior approval of the Contracting Officer in writing.

- (9) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on DOE approved service eligibility requirements for PRBs that shall be based on a minimum period of continuous employment service not less than five years under a DOE cost-reimbursement contract(s) immediately prior to retirement. Notwithstanding the previous sentence, the costs of PRBs will be reimbursed for individuals meeting the DOE-approved eligibility requirements of the applicable DOE-approved employee benefit plan. Unless required by Federal or state law, advance funding of PRBs is not allowable.

(G) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs

- (1) For cost allocability and reimbursement purposes, any defined benefit (DB) or defined contribution (DC) pension plans established and/or implemented by the Contractor shall be maintained consistent with the requirements of the Internal Revenue Code (IRC) and Employee Retirement Income Security Act (ERISA).
- (2) Contractor policies, practices, and procedures used in the administration of pension plans shall be consistent with applicable law and regulations.
- (3) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of Contract award.
- (4) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for service not performed under a DOE cost-reimbursement contract.
- (5) For each pension plan or portion of a pension plan for which DOE reimburses costs, the Contractor shall provide the Contracting Officer with the following information within nine months of the last day of the current pension plan year:
 - (a) Copies of IRS forms 5500 with schedules; and
 - (b) Copies of all forms in the 5300 series that document the establishment, amendment, termination, spin-off, or merger of a plan.
- (6) Prior to the adoption of any changes to a pension plan for which DOE reimburses costs, the Contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs to be incurred are consistent with the Contractor's documented Contractor Employee Compensation Plan and are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6:

- (a) For proposed changes to pension plans and pension plan funding, an analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value; and
 - (b) The Contractor shall obtain the advance written approval of the Contracting Officer for any non-statutory pension plan changes that may increase costs or liabilities, and any proposed special programs (including, but not limited to, plan-loan features, employee contribution refunds, or ancillary benefits) and shall provide DOE with an analysis of the impact of special programs on the actuarial accrued liabilities of the pension plan, and on relative benefit value, if applicable.
- (7) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.

H.21 SPECIAL PROVISIONS APPLICABLE TO WORFORCE TRANSITION AND EMPLOYEE COMPENSATION: PAY AND BENEFITSS – PADUCAH, KY

- (A) Training. The Contractor will establish a training program specifically for the purpose of training individuals pursuant to Clauses H.19(A)(1)(c), H.19(A)(2)(b)(ii) and (c)(iii), and H.19(A)(3)(a). The one-time training program will be provided to individual employees and will not exceed six months in duration and \$5,000 in cost (subject to availability of funding) per person, in addition to wages and benefits.
- (B) Benefit Plans. The Contractor shall provide pension and other benefit plans, to Grandfathered Employees and Non-Grandfathered Employees hired by the Contractor and service credit for leave as set forth below:
- (1) Grandfathered Employees. Grandfathered Employees shall be provided pension and other benefits in accordance with applicable law, any applicable collective bargaining agreement(s), and the provisions of the UDS Pension Plan and other existing benefit plans for Grandfathered Employees. Within 90 days after the Contract Notice To Proceed, the Contractor shall become the sponsor of the UDS Pension Plan, and other existing benefit plans (or comparable successor plans if continuation of the existing plans is not practicable) including post retirement benefit (PRB) plans, as applicable, for Grandfathered Employees and retired plan participants, with primary responsibility for management and administration of these plans. The Contractor shall also have primary responsibility for maintaining the qualified status of the plans. No employee who qualifies as a Grandfathered Employee under the UDS Pension Plan shall lose the right to participate in the UDS Pension Plan as a result of this transition.

- (2) Non-Grandfathered Employees. Non-Grandfathered Employees shall receive a benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees and in accordance with this Contract, any applicable collective bargaining agreement(s), and applicable law, including Section 4(c) of the Service Contract Act.
- (3) Sponsorship Timing. Notwithstanding any other clause in this Contract, the Contractor shall ensure that it becomes the sponsor of the UDS Pension Plan and other existing benefit plans (or comparable successor plans if continuation of the existing plans is not practicable) including post-retirement benefit (PRB) plans, as applicable, for Grandfathered Employees no later than the date that the Contractor becomes the employer for Grandfathered Employees at both the Portsmouth and Paducah Gaseous Diffusion Plant Sites, and at the Lexington Office, so that that there is uninterrupted and continuous participation by Grandfathered Employees in the foregoing plan(s).
- (4) Service Credit For Leave.
 - (a) For UDS Incumbent Employees, PRS Employees, and SST Employees, who are hired by the Contractor pursuant to Clauses H.19(A)(1)(a), (b), and (c), and (A)(2)(c), the Contractor shall carry over the length of service credit for leave as well as leave balances accrued as of the date these employees are hired by the Contractor. Service credit for the represented workforce shall be applied consistently with any applicable collective bargaining agreement(s), and applicable law.
 - (b) For USEC Employees hired by the Contractor, the Contractor shall carry over the length of service credit from USEC for purposes of determining rates of accruing leave for these employees as required by and consistent with any applicable collective bargaining agreement(s), and applicable law.
- (5) Service Credit for Fringe Benefits Other Than Leave. Consistent with the terms of the applicable benefit plan(s), the Contractor shall credit all UDS Incumbent Employees, PRS Employees, and SST Employees hired by the Contractor under this Contract with their current length of service toward fringe benefits, which also includes retirement benefits and severance pay. Consistent with the terms of the plan(s), the transition of these employees during the first six months of this Contract from the UDS Incumbent Contractor, LPP, TPMC, and USEC to the Contractor shall not constitute a break in service under the plan(s). Service credit for all individuals hired by the Contractor shall be applied consistent with any applicable collective bargaining agreement(s) and with applicable law. Service credit for purposes of severance pay is subject to Clause H.20 (E)(3)(d).

(C) Annual Actuarial Evaluation. Because the Contractor has the responsibility for administering and maintaining the qualified status of all pension and other benefit plans that it sponsors under this Contract, the Contractor shall submit to the Contracting Officer annual actuarial evaluations for all applicable benefit plans as well as certify that the benefit plans are in full compliance with IRC and ERISA requirements. Such certification shall demonstrate that the benefit plans are qualified under the IRC. This evaluation shall include but not be limited to written reports relating to how the benefit plans pass IRC discrimination, participation and coverage testing requirements. Each detailed annual written actuarial evaluation shall identify any conditions that may adversely affect the qualification status of the plans within eighteen months or less of the date of the evaluation, including but not limited to discrimination, participation and coverage testing requirements.

(1) Meeting Testing Requirements. The Contractor shall establish threshold factors that – based upon the experience of the UDS Pension Plan regarding the testing requirements – indicate when the UDS Pension Plan may not meet testing requirements within the next two plan years. Every six months, the Contractor shall identify when it may not meet testing requirements for the current plan year and the following plan year.

(2) Failure to Meet Test Requirements. In the case of the approved threshold factors described in Paragraph (C)(1) above and other factors as approved or requested by the Contracting Officer indicate that the Contractor may not meet testing requirements, the Contractor shall provide the Contracting Officer with a corrective action plan for addressing the potential or actual failure to meet testing requirements and quarterly updates on the status for testing purposes. After the corrective action plan has been submitted and approved by the Contracting Officer, the Contractor shall provide quarterly updates on the status for testing purposes.

(D) Changes to the UDS Pension Plan. In addition to any other provisions of this Contract, including but not limited to Clauses H.20(G)(6) and (7), any changes or amendments to the UDS Pension Plan are subject to Contracting Officer prior approval and shall be in accordance with applicable law, including compliance with any applicable collective bargaining agreement(s).

H.22 WORKFORCE TRANSITION AND BENEFITS TRANSITION: PLANS AND TIMEFRAMES – PADUCAH, KY

(A) Workforce Transition Plan. The Contractor shall submit a written Workforce Transition Plan (WF Transition Plan) describing in detail the Contractor's plans and procedures as to how the Contractor will comply with the hiring preferences set forth in Clause H.19, Workforce Transition and Employee Hiring Preferences – Paducah, KY, Clause H.21(A), and this Paragraph (A). Notwithstanding timeframes identified

elsewhere in the Contract, the Contractor shall perform the following activities in the specified timeframes:

- (1) Within ten days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (a) Submit to the Contracting Officer a description of any and all transition agreements that it intends to enter into with the Paducah Contractors to ensure compliance with Clauses H.19(A)(1) and (3) during the Mobilization and Transition Phase and during the second half of the Workforce Transition Period as defined in Clause H.18(A);
 - (b) Establish and submit to the Contracting Officer a written communication plan that details the communication that the Contractor and its subcontractors will engage in with the Paducah Contractors regarding implementation of the hiring preference requirements set forth in Clauses H.19(A)(1) and (3);
 - (c) Provide estimated costs and detailed breakouts of the costs to accomplish workforce transition activities within the timeframes specified; and
 - (d) Obtain information from the Paducah Contractors identifying their employees that have initially been identified as being at risk of being involuntarily separated. Provide and define a process as part of the transition agreements required in paragraph (1)(a) above for obtaining updated and continuous information throughout the Workforce Transition Period regarding the identification of employees by the Paducah Contractors that have been identified as being at risk of being involuntarily separated.
- (2) Within 15 days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (a) Submit to the Contracting Officer copies of the draft WF Transition Plan for the Contractor and its first and second tier subcontractors, including processes and procedures regarding how the Contractor will implement and ensure compliance with the hiring preferences set forth in Clauses H.19(A)(1) and (3); and
 - (b) Establish a written communication plan with the UDS Incumbent Employees, PRS Employees, SST Employees, and USEC Employees regarding the implementation of the hiring preferences in Clauses H.19(A)(1) and (3) and provide a copy to the Contracting Officer.

- (3) Within 30 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer copies of the final Plan (WT Transition Plan) and the draft transition agreements in H.22(A)(1)(a), it proposes to enter into consistent with requirements of Clauses H.19(A)(1) and (3) and Paragraphs (A)(1) and (2) above.
 - (4) Within 60 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer copies of the final transition agreements described in H.22(A)(1)(a).
 - (5) The Contractor shall submit reports to the Contracting Officer regarding the Contractor's and its subcontractors' implementation of the hiring preferences required by Clause H.19, Workforce Transition and Employee Hiring Preferences – Paducah, KY, in accordance with the timeframes set forth below. These reports shall include at a minimum the following information: employee hire dates or anticipated hire dates, employee salary levels, and the names of the former employers of the employees hired by the Contractor and/or hired by the Contractor's first and second tier subcontractors.
 - (a) During the Mobilization and Transition Phase identified in Section F.2(b)(1), such reports shall be provided to the Contracting Officer on a weekly basis.
 - (b) During the remainder of the Workforce Transition Period, such reports shall be provided to the Contracting Officer on a biweekly basis.
 - (c) After the Workforce Transition Period as defined in Clause H.18 (A), such reports shall be provided within the timeframes as requested by the Contracting Officer.
 - (6) Within six months after the issuance of the Contract Notice to Proceed, the Contractor shall provide a written description of the process that it will utilize in obtaining information from USEC, PRS, and SST regarding their respective employees who have been identified as being at risk of being involuntarily separated in order to comply with Clauses H.19(A)(2) and (A)(3)(a). The Contractor shall provide copies of all and any written agreements into which it has entered with both USEC, PRS (when applicable), and SST (when applicable) for transitioning their respective employees pursuant to Clauses H.19(A)(2) and (A)(3)(a).
- (B) Benefits Transition. The Contractor shall submit a written draft Benefits Transition Plan within 20 days after issuance of the Contract Notice to Proceed describing in detail the Contractor's plans and procedures as to how the Contractor will comply with Clause H.20, Employee Compensation: Pay and Benefits – Paducah, KY, Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY, and this Paragraph (B). The

Contractor shall provide a final written Benefits Transition Plan to the Contracting Officer within 30 days after issuance of the Contract Notice to Proceed. All transitions of the UDS Pension Plan and other existing benefit plans, as well as establishment of any new plans, shall be completed within 90 days after issuance of the Contract Notice to Proceed.

(1) The Contractor shall perform the following activities within the specified timeframes:

(a) Within ten days after issuance of the Contract Notice to Proceed, the Contractor shall:

- (i) Provide the Contracting Officer with a list of Contractor personnel who will be responsible for transition of the UDS Pension Plan and other existing benefit plans and/or development of new benefit plans, including specifically the personnel responsible for ensuring assumption of the lead sponsorship of the UDS Pension Plan by the Contractor and contact information for the above personnel;
- (ii) Request the UDS Incumbent Contractor to provide information and documents necessary for the Contractor to adhere to the requirements set forth in this Contract pertaining to sponsorship of the UDS Pension Plan and other existing benefits plans or establishment of any new benefits plans, including but not limited to the transition of the existing pension and other benefit plans or establishment of any new benefits plans on or before the end of the Mobilization and Transition Phase identified in Section F.2(b)(1);
- (iii) Provide estimated costs and detailed breakouts of the costs to accomplish workforce and benefits transition activities within the timeframes specified, including the costs for enrolled actuaries and counsel.

(b) Within 15 days after issuance of the Contract Notice to Proceed, the Contractor shall provide to the Contracting Officer a list of the information and documents that the Contractor has requested from UDS pertaining to the transition of the UDS Pension Plan, and other existing benefit plans. The Contractor shall notify the Contracting Officer on a timely basis of any issues or problems that it encounters in obtaining information or documents requested from UDS. Regardless of such notification, the Contractor remains responsible under this Contract for ensuring compliance with the terms of this Contract, including the timeframes set forth in this clause and the requirements in Clause H.19, Workforce Transition and Employee

Hiring Preferences, Clause H.20, Employee Compensation: Pay and Benefits – Paducah, KY and Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY.

- (c) Within 20 days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (i) Submit a detailed description of its plans and processes, including timeframes and specific projected dates for accomplishment of each activity necessary to ensure compliance with the requirements set forth in Clauses H.20 (E) and H.21(B), including requirements pertaining to the transition of employee benefit plans; and
 - (ii) Meet via televideo, teleconference, and/or in person with relevant personnel who administer the benefit plans for the UDS Incumbent Contractor. The meeting shall include the Contractor's benefit plan administrators and personnel, head of human resources, ERISA counsel, actuaries, and any and all other personnel deemed necessary by the Contractor. During such meeting, the Contractor shall discuss all matters necessary to ensure the Contractor adheres to its sponsorship obligations under Clauses H.20(E)(2) and H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY, including execution of transition agreements with the Paducah Contractors, as applicable. The minutes of the meeting as well as a written description of any substantive issues identified at the meeting shall be submitted to the Contracting Officer within two days after the meeting.
- (d) Within 30 days after issuance of the Contract Notice to Proceed and as part of the written Benefits Transition Plan, the Contractor shall provide a written description of how the existing pension and other benefit plans provided to employees pursuant to Clause H.20, Employee Compensation: Pay and Benefits – Paducah, KY, and Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY will be amended or restated on or before the last day of the Mobilization and Transition Phase. If an asset transfer(s) and/or the creation of a new benefit plan(s) are necessary in order for the Contractor to adhere to the benefits sponsorship requirements set forth in this Contract, the Contractor shall provide a description of the necessary transactions, including but not limited to how the Contractor proposes to comply with the Contract and applicable law governing such transactions.

- (e) Within 45 days after issuance of the Contract Notice to Proceed, the Contractor shall:
 - (i) Submit to the Contracting Officer a draft Contractor Employee Compensation Plan demonstrating how the Contractor will comply with the requirements of this Contract regarding employee compensation. The draft Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.
 - (ii) Submit to the Contracting Officer drafts of all amendments to or restatements of the pension and other benefit plans presently sponsored by the UDS Incumbent Contractor, including but not limited to amendments effectuating the change in lead sponsorship and administration of the UDS Pension Plan. If applicable, the Contractor shall also submit all draft restated benefit plans and draft Summary Plan Descriptions (SPDs) for pension and other benefit plans sponsored by the UDS Incumbent Contractor. Any and all such amendments shall comply with applicable law governing such transactions and changes in sponsorship of the plans.
 - (iii) Submit to the Contracting Officer drafts of any new benefit plan(s) as well as draft SPDs that the Contractor proposes to sponsor.
 - (iv) Provide draft copies of the transition agreements which the Contractor will enter into with the Paducah Contractors to ensure the Contractor's compliance with the pay and benefits requirements set forth in Clauses H.20, Employee Compensation: Pay and Benefits – Paducah, KY and H.21 Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY. Copies of these executed transition agreements shall be provided to the Contracting Officer within two days of execution, but in no event later than the last day of the Mobilization and Transition Phase.
- (f) No later than 60 days after issuance of the Contract Notice to Proceed and prior to the adoption of the documents identified in Paragraphs (B)(1)(e)(ii) and (iii) above, the Contractor shall submit the proposed

final versions of these documents to the Contracting Officer for approval.

- (g) The Contractor shall respond to any comments provided by the Contracting Officer under any of the above paragraphs within two days of receipt of the comments.

(2) After the Workforce Transition Period and throughout the remaining period of performance of the Contract, the Contractor shall provide the following information promptly to the Contracting Officer upon the request of the Contracting Officer:

- (a) Documents relating to benefit plans offered to Contractor Employees, including but not limited to SPDs, all Plan documents, applicable amendments, employee handbooks that summarize benefits provided to employees and other documents that describe benefits provided to employees of the Contractor who perform work on this Contract, and
- (b) Any and all other documents pertaining to implementation of and compliance with implementation of the compensation and benefit programs identified in Clause H.20, Employee Compensation: Pay and Benefits – Paducah, KY and Clause H.21, Special Provisions Applicable to Workforce Transition and Employee Compensation: Pay and Benefits – Paducah, KY.

H.23 POST CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER BENEFIT PLANS – PADUCAH, KY

- (A) If this Contract expires, terminates, and/or is terminated partially or completely and DOE has awarded a contract under which a new contractor becomes the sponsor and assumes responsibility for management and administration of the UDS Pension Plan or any other benefit plans (collectively, the “Plans”), covering active or retired Grandfathered Employees and Non-Grandfathered Employees with respect to employees at Portsmouth and Paducah Gaseous Diffusion Plant Sites, the Contractor shall cooperate with and transfer to the new contractor the responsibility for sponsorship, and management and administration of such Plans consistent with direction from the Contracting Officer.
- (B) If this Contract expires, terminates and/or is terminated partially or completely and DOE has not awarded a contract to a new contractor under which a new contractor becomes a sponsor and assumes responsibility for management and administration of the Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be “Contract Completion” for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of the Contract, the following actions shall occur

regarding the Contractor's obligations regarding the Plans at the time of Contract Completion:

- (1) Subject to Paragraph (B)(2) below and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the Plans, the Contractor shall remain the sponsor of the Plans, in accordance with applicable legal requirements.
 - (2) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of "Contract Completion." However, if the parties have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of "Contract Completion," unless and until such agreement is reached, the Contractor shall comply with written direction from the Contracting Officer regarding the Contractor's responsibilities for continued provision of pension and welfare benefits under the Plans, including but not limited to continued sponsorship of the Plans, in accordance with applicable legal requirements. To the extent that the Contractor incurs costs in implementing direction from the Contracting Officer, the Contractor's costs will be reimbursed pursuant to applicable contract provisions.
- (C) Because the UDS Pension Plan and other benefit plans for Grandfathered Employees is a single employer pension plan, notwithstanding paragraphs (A) and (B) above, the Contractor shall remain the sponsor of the UDS Pension Plan and other benefit plans for Grandfathered Employees at both the Portsmouth and Paducah Gaseous Diffusion Plant Sites, unless and until the Contracting Officer directs the Contractor to proceed in accordance with paragraphs (A) and (B) above.
- (D) In the event a transfer of assets into or from the UDS Pension Plan is determined to be necessary, the Contractor shall cooperate fully in the transfer of any assets in a manner consistent with any fiduciary duty, applicable law and subject to the approval and direction of the Contracting Officer.

H.24 LABOR RELATIONS – PADUCAH, KY

- (A) The Contractor shall respect the right of employees to organize and to form, join, or assist labor organizations, to bargain collectively through their chosen labor representatives, to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of these activities.
- (B) The Contractor shall meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to negotiations of any collective bargaining agreement or revision thereto and shall consult with and obtain the approval of the Contracting Officer regarding appropriate economic bargaining

parameters, including those for pension and medical benefit costs, prior to the Contractor entering into the collective bargaining process. During the collective bargaining process, the Contractor shall notify the Contracting Officer before submitting or agreeing to any collective bargaining proposal which can be calculated to affect allowable costs under this Contract or which could involve other items of special interest to the Government. During the collective bargaining process, the Contractor shall obtain the approval of the Contracting Officer before proposing or agreeing to changes in any pension or other benefit plans.

- (1) The Contractor will seek to maintain harmonious bargaining relationships that reflect a judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR Subpart 22.1 and DEAR Subpart 970.2201 and all applicable Federal and state labor relations law.
 - (2) The Contractor will notify the Contracting Officer or designee in a timely fashion of all labor relations issues and matters of local interest including organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement agreements and will furnish such additional information as may be required from time to time by the Contracting Officer.
- (C) Consistent with applicable labor law and regulations for that work that is being performed by members of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers (USW) on the effective date of this Contract, the Contractor agrees to initially consult with USW regarding the initial terms and conditions of employment and to recognize USW as the collective-bargaining representative for employees performing work that has historically and traditionally been performed by USW members and is covered in the scope of this Contract, and to bargain in good faith to a collective bargaining agreement that gives due consideration to applicable terms and conditions of the existing UDS, PRS, SST, and USEC collective bargaining agreement(s) for work at the Paducah Gaseous Diffusion Plant Site.

H.25 WORKFORCE RESTRUCTURING –PADUCAH, KY

Notwithstanding any other provision in this Contract, when the Contractor determines that a reduction of force is necessary, the Contractor shall notify the Contracting Officer in writing in accordance with DOE 350.1 and other related guidance. The Contractor shall provide information as directed by the Contracting Officer related to workforce restructuring activities and to enable compliance with Section 3161 of the *National Defense Authorization Act for Fiscal Year 1993* and any other DOE guidance pertaining to employees who may be eligible for provisions of the Act. The Contractor shall supply workforce restructuring related information and reports as needed by DOE. The Contractor shall extend displaced employee hiring preferences in accordance with the Section I Clause entitled, *DEAR 952.226-74, Displaced Employee Hiring Preference*

and Clause H.19, Workforce Transition and Employee Hiring Preferences – Paducah, KY.

H.26 SOFTWARE MADE AVAILABLE FOR CONTRACTOR’S USE

- (a) The Government, from time to time, may make certain software acquired under license available to the Contractor for its use in the performance of this contract.
- (b) The Contractor recognizes and acknowledges that such software or data contained therein may be proprietary and confidential to a third party.
- (c) The Contractor agrees that it and its employees will not use, copy, disclose, modify, or reverse engineer such software except as permitted by the license and any other terms and conditions under which the software is made available to the Contractor.
- (d) The Contractor is not authorized to violate any software licensing agreement, or to cause the Government to violate any licensing agreement. If, at any time during the performance of this contract, the Contractor has reason to believe that its utilization of Government-furnished software may involve or result in a violation of DOE’s licensing agreement, the Contractor shall promptly notify the CO, in writing, of the pertinent facts and circumstances. Pending direction from the CO, the Contractor shall continue to perform to the full extent possible without utilizing the software in question.
- (e) Paragraphs (a) through (d) of this clause shall flow down to all subcontracts.

H.27 GOVERNMENT-FURNISHED SERVICES AND ITEMS

- (a) DOE recognizes that implementation of Section C in an optimized fashion is dependent upon many activities, including the Government-Furnished Services and Items (GFS/I) identified below.
- (b) DOE is committed to providing effective support to the Contractor throughout the period of contract performance, and the Contractor may request that DOE consider providing additional GFS/I. To manage the GFS/I to be furnished under the contract and to evaluate the additional GFS/I that may be required by the Contractor, the Contractor shall submit for DOE approval:
 - (1) **GFS/I Request [D-38]**: a 12-month advance projection of GFS/I to be furnished under the Contract, to be submitted in accordance with Section F, and;
 - (2) **GFS/I Update [D-39] (if needed)**: a quarterly update to the projection of GFS/I to be furnished under the Contract, to be submitted prior to each quarter.

- (c) DOE will review the GFS/I Request and GFS/I Update. If DOE decides to support the additional contractor-requested GFS/I, DOE will notify the Contractor within 30 days that the additional contractor-requested GFS/I can be provided, and will provide the Contractor details regarding the DOE action(s). The supported GFS/I will be added to Table H-1, Detailed Description of Government Furnished Services and Items, as a DOE commitment to the Contractor.
- (d) If DOE decides not to support a contractor request, DOE will notify the Contractor within 30 days that the requested GFS/I cannot be provided, and there will be no DOE commitment to the Contractor to furnish the GFS/I.
- (e) For the additional contractor-requested GFS/I, DOE will use its best efforts to meet additional GFS/I commitments to the Contractor. However, in the event that DOE is unable, for any reason, to provide the Contractor with its requested additional GFS/I, the Contractor remains fully and solely responsible for obtaining the needed services and/or information in a timely manner and without any further recourse against DOE.

Table H-1 DETAILED DESCRIPTION OF GOVERNMENT-FURNISHED SERVICES AND ITEMS		
Scope	Requirement	GFS/I
The Contractor shall support the operations of the conversion facilities at Portsmouth, OH and Paducah, KY by performing activities as described in Section C, Statement of Work	DOE shall ensure Government controlled data systems are available for contractor access as needed to provide infrastructure activities	DOE will ensure the following systems are available to the Contractor throughout the period of performance of this contract: Integrated Planning Accountability and Budget System (IPABS) Facility Information Management System (FIMS) Computerized Accident/Incident Reporting System (CAIRS) Non-Compliance Tracking System (NTS) database Occurrence Reporting and Processing System (ORPS) Foreign Access Central Tracking System (FACTS) database Federal Telephone System Access Condition Assessment Information System (CAIS) Work Force Information System (WFIS)
The Contractor shall submit documentation, reports, etc., to DOE during performance of the activities in the Statement of Work	DOE shall provide comments and/or approval of documentation, reports, etc.	DOE will use its best efforts to provide comments and/or approval of documentation, reports, etc., in a timely manner. (See Section F, Table F-1)

The Contractor shall process, store, package, and disposition products of the conversion facility in accordance with applicable laws, regulations and DOE directives.	DOE shall approve applicable procedures for the disposition of waste in accordance with applicable laws, regulations, and DOE directives.	DOE will provide, when available, the negotiated rates for disposal of low-level waste.
The Contractor shall manage the Cylinder Yards and operate the conversion facilities in accordance with the design, engineering documentation, safety basis, and all applicable laws, regulations, DOE directives and agreements.	DOE shall review and approve applicable plans and procedures for Cylinder Surveillance and Maintenance and safe operation of the Cylinder yards and conversion facilities	The required software, hardware, and engineering documentation to manage Surveillance and Maintenance, operate Cylinder Yards and Conversions Facilities will be provided.

H.28 PROJECT CONTROL SYSTEMS AND REQUIREMENTS

(a) Project Control System

- (1) The Contractor shall propose a project work breakdown structure that is compliant with the guidelines in ANSI/EIA Standard 748 (current version at the time of award) and that achieves completion of the work in a safe and cost effective manner and within the identified funding. The Contractor shall establish, maintain and use a project control system that accurately reflects the project status relative to cost and schedule performance and tracks progress against the approved baseline. This system shall be fully integrated with the financial accounting systems to ensure consistent reporting of costs and will be reviewed during the baseline review. The Contractor shall maintain a project control system in accordance with the following requirements:
 - (i) DOE Order 413.3A, Program and Project Management for the Acquisition of Capital Assets, July 28, 2006;
 - (ii) DOE Manual 413.3-1-1, Project Management for the Acquisition of Capital Assets, March 28, 2003;
 - (iii) Integrated Planning, Accountability, and Budgeting System Information Systems (IPABS-IS) Data Requirements, February 16, 1999, and subsequent updates;
 - (iv) Integrated Planning, Accountability, and Budgeting System (IPABS) Handbook, February 16, 1999, and subsequent updates;
 - (v) HQ Baseline Change Control Charter, Office of Environmental Management, Rev. 0, June 23, 1999.

- (2) The Contractor shall provide the CO with a detailed written description of the proposed project control system for review and approval in accordance with Section F. Cost effective, graded application of controls will be a critical factor in determining acceptability of the proposed system.
- (3) The COR or designated representatives will conduct a compliance review of the Contractor's proposed project control system to determine if the description and procedures meet the intent of this contract clause.

(b) Baseline Development and Cost Collection

- (1) The Contractor shall develop and submit a **DUF6 Baseline [D-40]** (see Section F, Table F-1) for each contract, Paducah and Portsmouth, consistent with the terms and conditions of this contract and their proposal in accordance with Section F. The DUF6 Baseline shall be developed to the appropriate level below WBS Level 5, consistent with the Contractor's project management approach and systems. The DUF6 Baseline shall be developed in accordance with DOE Order 413.3A and include of the scope identified in Section C. The Work Breakdown Structure (WBS) shall provide the basis for the project control system components, including estimating, scheduling, budgeting, performing, managing, and reporting, as required under this contract.
- (2) The Contractor shall develop a **Risk Management Plan (RMP) [D-35]** (see Section F, Table F-1) that identifies internal and external risks to achieving the project baseline. The RMP will define and analyze risks and provide a quantitative assessment of potential cost and schedule impacts at 50% and 80% confidence levels, as well as document what actions have been taken to mitigate potential impacts to scope execution. The Contractor shall provide its assessment of the impact these uncertainties may have on project cost and schedule. If, in the Contractor's opinion, the risk to cost and schedule is significant, the Contractor shall describe its approach to eliminate, avoid, or mitigate the risks. When developing approaches to eliminate, avoid or mitigate risks to cost and schedule, the Contractor shall propose an allocation of risk responsibility to the organization best suited to manage the risk. The RMP shall be updated at least annually.
- (3) Cost estimates shall be integrated with the WBS and shall use estimating methodologies consistent with DOE Order 413.3A. Costs shall be discernable by Budget and Report (B&R) code, direct, indirect and fee. The project control system must maintain capability to provide Total Estimated Cost (TEC), Total Project Cost (TPC), Estimates to Complete (ETC), and Estimates at Completion (EAC), along with tracking of each of these costs and schedule elements.

- (4) Schedules shall be developed that integrate with the WBS. Project work scope shall be included regardless of funding source. Each WBS element will have an assigned duration that will be based on work scope. Activity logic links shall depict all work scope constraints and decision points and shall be integrated into a total project network schedule. The project schedule shall clearly depict critical path activities and milestones. Activities shall be resource loaded at the lowest practical level of the WBS, but at a maximum at least one level below the scope identified in Section C to develop time-phased budgets that are integrated with the schedule.
- (5) The Contractor shall analyze proposed or directed funding changes for their impact on technical, schedule, and cost elements of the baseline, along with potential impacts to the Cost and Schedule.
- (6) Any contractor requested changes or DOE directed written changes shall be addressed through the established change control process. This process will not, in and of itself, provide the authority to change the Cost and Schedule.
- (7) The Contractor shall provide variance calculations and analysis for schedule and cost performance. Performance analysis techniques shall be commercially accepted and documented and shall utilize earned value and variance calculation methods contained in ANSI/EIA-748. Performance metrics (e.g., quantities, safety, regulatory compliance) will be established for all technical work scope unless otherwise approved by the CO. Cost variance percentage is the difference between the budgeted cost of work performed and the actual cost of work performed, divided by the budget cost of work performed, multiplied by 100. Schedule variance percentage is the difference between the budgeted cost of work scheduled and the actual cost of work scheduled, divided by the budgeted cost of work scheduled, times 100. For variances greater than $ACWP \div BCWP \geq 1.1$ or $ACWS \div BCWS \geq 1.1$ at Level 4 of the WBS, the analyses shall detail the causes for variance and corrective actions required.
- (8) The EAC for the project shall be evaluated monthly to ensure that it is consistent with observed trends in performance, emerging or resolved issues, and changes in the assessment of project risk.
- (9) Actual direct costs incurred for resources applied in the performance of work shall be recorded on a timely basis each month. Actual costs incurred must be recorded in the same accounting period that performance is measured and recorded. Any indirect costs shall also be collected and appropriately allocated to the WBS elements.
- (10) Costs shall be collected at a charge number level, including the work elements identified in Section C, and shall be summed through the WBS.

Incorrect charges on time cards or other administrative or accounting errors shall be corrected in a timely manner.

- (11) The Contractor shall support DOE in planning and managing the Critical Decision (CD) 2/3 approval process to ensure that the form and content of all contractor documents and actions required for CD-2/3 approval meet the requirements of DOE Order 413.3A. This will include coordinating with the other DOE site contractors, as necessary, to ensure compatibility of information and documents; supporting DOE in integrating and consolidating information and documents to represent the combined information from both Portsmouth and Paducah contracts; and participating in assessments and reviews needed to achieve CD-2/3 decision.
- (12) The Contractor will establish, maintain, and use a **Project Control Management System [D-41]** (see Section F, Table F-1) that accurately reflects the status of schedule performance and tracks progress against the approved baseline. The Contractor will coordinate with the other DOE site contractors, as necessary, to obtain schedule input. This schedule must also include GFS/I activities. The Contractor will report monthly to DOE on contractor earned value and integrated schedule progress and schedule performance, and will assist DOE in interpreting, analyzing, and reporting earned value data and project progress.
- (13) At the direction of DOE, the Contractor shall participate in meetings, conference calls, conferences, and other similar forums relating to Project Integration responsibilities and shall be available to respond to informal DOE requests for information related to Integrated Project Management.
- (14) The Contractor shall provide written notes for meetings, conferences, and any other forum to DOE, within five calendar days of the meeting. The Contractor shall prepare and distribute a meeting or conference agenda two calendar days prior to any meeting or conference requested by the Contractor.

(c) Project Reporting

- (1) The Contractor shall provide **Weekly/Monthly Status Reports [D-42]** (see Section F, Table F-1) monthly status reports on the project in a format approved by the CO. The Contractor shall not change the WBS without the approval from the CO. At a minimum, the status shall include cost and schedule variance at a level 4 of the WBS with rollup to the subproject, the status of major milestones, and critical technical or programmatic issues. The report shall include overall narrative summaries, analysis of schedule trends and project float, critical path performance, analysis of critical manpower skills of other resources, budget and funding figures, and project risk updates. Earned Value information shall be reported in the following Office of Management and Budget Contractor Performance Report Formats (DID-

MGMT-81466) as required by “Establishing the Requirements for an Earned Value Management System, Standardizing Minimal Reporting Requirements, and Implementing an Earned Value Management System Surveillance Program,” July 6, 2007.

- (i) Format 1, DD Form 273411, Mar 05, Work Breakdown Structure
- (ii) Format 2, DD Form 273412, Mar 05, Organizational Categories
- (iii) Format 3, DD Form 273413, Mar 05, Baseline
- (iv) Format 4, DD Form 273414, Mar 05, Staffing
- (v) Format 5, DD Form 273415, Mar 05, Explanations and Problem Analysis

(2) **Quarterly Critical Analysis Report (QCAR) [D-43]** (see Section F, Table F-1). Every three months, the Contractor shall prepare and submit a comprehensive report that critically analyzes the overall status of the baseline as well as any key metrics. This report shall include overall narrative summaries, analysis of schedule performance trends and project float, critical path performance, analysis of critical manpower skills of other resources, budget and funding figures, and project risk updates.

(3) Plans and reports shall be prepared in such a manner as to provide for consistency with Section C, the baseline, and the approved WBS. The Contractor’s reporting system shall be able to provide for the following at the Level 4 WBS:

- (i) Timely, within 21 calendar days, incorporation of contractual baseline changes affecting estimated cost and schedule;
- (ii) Reconciliation of estimated costs for those elements of the WBS with current performance measurement budgets, in terms of changes to the authorized work and internal re-planning;
- (iii) Changes to records pertaining to work performed that will change previously reported costs for correction of errors and routine accounting adjustments;
- (iv) Changes to records pertaining to work performed that will change previously reported costs for correction of errors and routine accounting adjustments;
- (v) Revisions to the contract estimated costs for DOE-directed changes to the contractual effort

- (4) The Contractor shall provide the CO, or the COR, access to any and information and documents comprising the Contractor's project control and reporting system. Generally, access will not be requested more than one level below the level chosen by the CO for control and approval authority, except during compliance reviews.
- (5) The Contractor shall include graded reporting requirements in subcontracts adequate to fairly evaluate performance and support the Contractor's reporting requirements.

(d) Baseline Change Management

- (1) The integrated scope, cost and schedule baseline is the source document for all project control and baseline change management. The processes for managing and administering changes to all elements of the baseline shall be timely, formal, and documented. Baseline changes shall be proposed when:
 - (i) Necessitated by significant project delays, events or other impacts.
 - (ii) The parties have negotiated an equitable adjustment in accordance with the Section I clause entitled "FAR 52.243-2 Changes-Cost-Reimbursement" or other clauses of this contract.
 - (iii) Cost and schedule variances necessitate a baseline change as determined and directed by the CO or COR.
- (2) Provided that the change does not affect total cost or schedule for the reasons stated above, the baseline change control thresholds for scope, cost and schedule shall be the lesser of the following:

DOE Headquarters	\$10,000,000 or 20% of the WBS annually
Local DOE	\$ 5,000,000 or 10% of the WBS annually
Contractor	Up to the local DOE Level

Any baseline change exceeding the Contractor threshold must be submitted to the CO for approval. Additional work scope can only be authorized by the CO regardless of the threshold level.

- (3) Specific change control time frames for consideration and approval will be established by the CO. Each change control threshold level shall accommodate emergency changes. Retroactive changes that affect schedule and cost performance data are not allowed, except to correct administrative errors. A record of approved changes, at any level, shall be maintained through the life of the project. Change control records shall maintain a clear distinction between approved changes in funding and baseline changes.

Ownership of internal change control disposition records and EM Configuration Change Control Board records resides with DOE.

- (4) Any changes to contract cost, schedule, or fee shall be executed only through a contract modification by the DCO pursuant to the contract terms and conditions. Approved internal change control modifications to the Performance Measurement Baseline (PMB) may not imply the need for changes to the Contract Cost, Schedule or Fee.

H.29 INFORMATION

- (a) Management of Information Resources. The Contractor shall design and implement Information Resources Management (IRM) capabilities as required to execute this contract in accordance with the Office of Management and Budget (OMB) Circular A-130, Management of Federal Information Resources.
- (b) Release of Information. The Contractor shall provide timely, accurate, and complete responses to information requested by DOE to comply with Freedom of Information Act and Privacy Act requirements.
- (c) Unclassified Controlled Nuclear Information (UCNI). Documents originated by the Contractor or furnished by the Government to the Contractor, in connection with this contract, may contain Unclassified Controlled Nuclear Information as determined pursuant to Section 148 of the Atomic Energy Act of 1954, as amended. The Contractor shall be responsible for protecting such information from unauthorized dissemination in accordance with DOE regulations and directives and Section I clauses entitled, DEAR 952.204-2, Security Requirements and DEAR 952.204-70, Classification/Declassification.
- (d) Confidentiality of Information. To the extent that the work under this contract requires that the Contractor be given access to confidential or proprietary business, technical, or financial information belonging to the Government or other companies, the Contractor shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the CO in writing. The foregoing obligations, however, shall not apply to:
 - (1) Information which, at the time of receipt by the Contractor, is in the public domain;
 - (2) Information which is published after receipt thereof by the Contractor or otherwise becomes part of the public domain through no fault of the Contractor;

- (3) Information which the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the Government or other companies;
- (4) Information which the Contractor can demonstrate was received by it from a third party that did not require the Contractor to hold it in confidence.

The Contractor shall obtain the written agreement, in a form satisfactory to the CO, of each employee permitted access to such information, whereby the employee agrees that he/she will not discuss, divulge or disclose any such information or data to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the contract.

The Contractor agrees, if requested by the Government, to sign an agreement identical, in all material respects, to the provisions of this subparagraph (d), with each company supplying information to the Contractor under this contract, and to supply a copy of such agreement to the CO. Upon request from the CO, the Contractor shall supply the Government with reports itemizing information received as confidential or proprietary and setting forth the company or companies from which the Contractor received such information.

The Contractor agrees that upon request by DOE, it will execute a DOE-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by DOE, such an agreement shall also be signed by contractor personnel.

- (e) The Government reserves the right to require the Contractor to include this clause or a modified version of this clause in any subcontract as directed in writing by the CO.

H.30 PERMITS, APPLICATIONS, LICENSES, AND OTHER REGULATORY DOCUMENTS

- (a) Consistent with the clause in Section I entitled, "Laws, Regulations, and DOE Directives," the Contractor must obtain any licenses, permits, other approvals or authorizations for conducting all activities under the contract. The Contractor is responsible for complying with permits, licenses, certifications, authorizations and approvals from federal, state, and local regulatory agencies that are necessary for activities under this contract (hereinafter referred to collectively as "permits"). Except as specifically provided in this section and to the extent not prohibited by law or cognizant regulatory authority, the Contractor (or, if applicable, its subcontractors) will be the sole applicant for any such permits required for its activities. The Contractor must take appropriate actions to obtain transfer of existing permits, and DOE will use reasonable means to facilitate transfer of existing permits. If DOE determines it is appropriate or if DOE is required by cognizant regulatory authority to sign permit applications, DOE may elect to sign as owner or similar designation, but

- the Contractor (or, if applicable, its subcontractors) must also sign as operator or similar designation reflecting its responsibility under the permit unless DOE waives this requirement in writing.
- (b) Unless otherwise authorized by the CO, the Contractor must submit to DOE for DOE's review and comment permit applications, reports or other documents required to be submitted to cognizant regulatory authorities. Such draft documents must be provided to DOE within a time frame, identified by DOE, sufficient to allow DOE substantive review and comment; and DOE will perform such substantive review and comment within such time frame. When providing DOE with documents that are to be signed or co-signed by DOE, the Contractor will accompany such document with a certification statement, signed by the appropriate contractor corporate officer, attesting to DOE that the document has been prepared in accordance with applicable requirements and the information is, to the best of its knowledge and belief, true, accurate, and complete.
 - (c) Except as specifically provided in this clause and to the extent not prohibited by law or cognizant regulator authority, the Contractor (or, if applicable, its subcontractors) will be the signatory for reports, hazardous waste manifests, and other similar documents required under environmental permits or applicable environmental laws and regulations.
 - (d) DOE agrees that if bonds, insurance, or administrative fees are required as a condition for such permits, such costs shall be allowable. In the event that such costs are determined by DOE to be excessive or unreasonable, DOE shall provide the regulatory agency with an acceptable form of financial responsibility. Under no circumstances shall the Contractor or its parent be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.
 - (e) In the event of termination or expiration of this contract, DOE will require the new contractor to accept transfer of environmental permits executed by the Contractor, or DOE will accept responsibility for such permits and the Contractor shall be relieved of future liability and responsibility resulting from the acts or omissions of the successor Contractor or DOE.
 - (f) The Contractor shall become a party-signatory to the Ohio EPA Director's Final Findings and Orders (DFF&O) prior to undertaking any cylinder-related activities covered by the DFF&O.
 - (g) At the request of DOE, the Contractor shall become a party-signatory to the Agreed Order with The Commonwealth of Kentucky. The following agreement is currently in place at the Paducah Gaseous Diffusion Plant: Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet Agreed Order, October 3, 2003. In addition, the Contractor shall negotiate in good faith and become a party signatory to such other regulatory agreements or orders, as DOE may deem appropriate for the work performed pursuant to this contract.

H.31 CONTRACTOR ACCEPTANCE OF NOTICES OF VIOLATION OR ALLEGED VIOLATIONS, FINES, AND PENALTIES

- (a) The Contractor shall accept, in its own name, services of notices of violations or alleged violations (NOVs/NOAVs) issued by federal or state regulators to the Contractor resulting from the Contractor's performance of work under this contract, without regard to liability. The allowability of the costs associated with fines and penalties shall be subject to the other provisions of this contract.
- (b) With advance notice given to DOE, the Contractor shall conduct negotiations with regulators regarding NOVs/NOAVs and fine and penalties; however, the Contractor shall not make any commitments or offers to regulators that would bind the Government, including monetary obligations, without receiving written concurrence from the CO prior to making any such offers/commitments. Failure to obtain such advance written approval may result in otherwise allowable costs being declared unallowable and/or the Contractor being liable for any excess costs to the Government associated with or resulting from such offers/commitments.
- (c) The Contractor shall notify DOE promptly when it receives service from the regulators of NOVs/NOAVs and fines and penalties.

H.32 NUCLEAR FACILITY OPERATIONS

- (a) The activities under this contract include the operation of nuclear facilities. The Contractor recognizes that such operations involve the risk of a nuclear incident which, while the chances are remote, could adversely affect the public health and safety as well as the environment. Therefore, the Contractor will exercise a degree of care commensurate with the risk involved.
- (b) The Contractor shall comply with applicable DOE nuclear safety related rules, regulations, and directives and with those nuclear safety requirements (including reporting requirements and instructions) of DOE. Operations within the nuclear facility will be conducted in accordance with DOE approved authorization agreements.

H.33 COMPLIANCE WITH ORDERS, AGREEMENTS, AND REGULATORY AUTHORITIES

In addition to the requirements of the Section I clause entitled " DEAR 970.5204-2 Laws, Regulations, and DOE Directives" , the Contractor shall comply with any current or future orders and agreements with regulatory authorities pertaining to UF6 cylinders, including but not limited to the State of Ohio Director's Final Findings and Orders, dated February 24, 1998, June 24, 2005, and February 1, 2008, and the Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet Agreed Order,

October 3, 2003. In addition the Contractor shall comply with any future laws or regulations pertaining to any required activities under the contract.

H.34 ALLOCATION OF RESPONSIBILITIES FOR CONTRACTOR ENVIRONMENTAL COMPLIANCE ACTIVITIES

- (a) This clause allocates the responsibilities of DOE and the Contractor, referred to collectively as “the parties” for implementing the environmental requirements at facilities within the scope of the contract. In this clause, the term “environmental requirements” means requirements imposed by applicable federal, state and local environmental laws and regulations, including, without limitation, statutes, ordinances, regulations, court orders, consent decrees, administrative orders or compliance agreements, consent orders, permits, and licenses.
- (b) Liability and responsibility for civil fines or penalties arising from or related to violations of environmental requirements shall be borne by the party that caused the violation irrespective of the fact that the cognizant regulatory authority may assess any such fine or penalty upon either party or both parties without regard to the allocation of responsibility or liability under this contract. This contractual allocation of liability for any such fine or penalty is effective regardless of which party signs permit applications, manifests, reports or other required documents; is a permittee; or is the named subject of an enforcement action or assessment of a fine or penalty.
- (c) Regardless of which party to this contract is the named subject of an enforcement action for noncompliance with environmental requirements by the cognizant regulatory authority, liability for payment of any fine or penalty will be governed by provisions of this contract related to allowable costs. If the named subject of an enforcement action or assessment of a fine or penalty is DOE and the fine or penalty would not otherwise be reimbursable under the allowable cost and preexisting conditions provisions of this contract if the Contractor was the named subject of the enforcement action, the Contractor will either pay the fine or penalty or reimburse the DOE (if DOE pays the fine or penalty). The governing provisions of the contract include, without limitation, clauses in Section I entitled, “Allowable Cost and Payment” and “Pre-Existing Conditions”.

H.35 PRICE ANDERSON AMENDMENTS ACT NONCOMPLIANCE

The Contractor shall establish an internal Price Anderson Amendments Act (Section 234a (42 U.S.C. 2282a) of the Atomic Energy Act of 1974, as amended) noncompliance identification, tracking, and corrective action system and shall provide access to and fully support DOE reviews of the system [D-46]. The Contractor shall also implement a Price Anderson Amendments Act reporting process which meets applicable DOE requirements. The Contractor shall also be accountable for ensuring that subcontractors adhere to these requirements.

H.36 ALTERNATIVE DISPUTE RESOLUTION (ADR)

It is federal policy, as enunciated in the Administrative Dispute Resolution Act of 1996, 5 U.S.C. § 571, et seq., and Part 33 of the Federal Acquisition Regulation, to use consensual alternative means of dispute resolution “to the maximum extent practicable” to resolve issues in controversy involving the federal government. Therefore, should an issue in controversy arise in conjunction with or related to the performance of this contract, and should the parties not be able to resolve the issue through unassisted negotiations, prior to resorting to the formal claim and appeal process provided for under the “Disputes” clause and the Contract Disputes Act of 1978, 41 U.S.C. § 601, et seq. (CDA), they will consider using one or more alternative dispute resolution (ADR) techniques to achieve resolution of the issue. To that end, they will jointly or separately contact the United States Civilian Board of Contract Appeals (CBCA) in order to discuss possible ADR options and will exert their best efforts to devise a mutually acceptable agreement to establish terms and guidelines for ADR proceedings as may be appropriate.

This clause does not establish a condition precedent to the formal filing of a claim with the contracting officer or to the filing of an appeal pursuant to the CDA. Any attempt to resolve an issue in controversy through non-binding ADR will be without prejudice to the parties’ rights to adjudicate an issue not resolved through ADR. The particulars of any ADR proceedings will not be part of the administrative record for adjudication of the issue in controversy.

H.37 DEFENSE NUCLEAR FACILITIES SAFETY BOARD

The Contractor shall conduct activities in accordance with those DOE commitments to the Defense Nuclear Facilities Safety Board (DNFSB) which are contained in implementation plans and other DOE correspondence to the DNFSB (Department of Energy Implementation Plan for Defense Nuclear Facilities Safety Board Recommendation 95-1, Improved Safety of Cylinders Containing Depleted Uranium, October 16, 1995). The Contractor shall support preparation of DOE responses to DNFSB issues and recommendations which affect or can affect contract work. Based on the COR’s direction, the Contractor shall fully cooperate with the DNFSB and provide access to such work areas, personnel, and information as necessary in a safe and efficient manner. The Contractor shall maintain a document process consistent with the DOE manual on interface with the DNFSB. The Contractor shall be accountable for ensuring that subcontractors adhere to these requirements.

H.38 HAZARDOUS MATERIALS

In implementation of the clause in Section I entitled, “FAR 52.223-3 Hazardous Material Identification and Material Safety Data,” the Contractor shall obtain, review and maintain a material safety data sheet (MSDS) in a readily accessible manner for each hazardous material (or mixture containing a hazardous material) ordered, delivered, stored or used; and maintain an accurate inventory and history of use of hazardous materials at each use

and storage location. The MSDS shall conform to the requirements of 29 CFR 1910.1200(g).

H.39 PRIVATELY GENERATED RESTRICTED DATA

The DOE will not itself be providing any classified information as part of this contract. However, in the event that the Contractor introduces new or unique technology into the Conversion Process, the requirements of 10 CFR 1045.21, "Privately generated restricted data" may apply. If there is a chance that such technology will be utilized, the Contractor shall coordinate with DOE as soon as it is known that such technology will be used.

H.40 SITE SERVICES

- (a) The Contractor will be performing work at sites where other entities are conducting various activities, including other DOE prime contractors, subcontractors, and other organizations. These entities, including the Contractor, need to acquire or perform certain services in support of their activities that may be common to other entities on the site. In some instances it is to the net benefit to DOE for these services to be provided by one central source at the respective sites. Refer to Section J "DUF6 Services and Contractor Interface Requirements Matrix".
- (b) The Contractor may receive services from and provide services to other prime contractors, subcontractors, or other organizations at the sites as approved by the CO or designee. These services may be provided in one of the following categories:
 - (1) Services that are the responsibility of the Contractor, but the Contractor elects, or the CO or designee directs the Contractor, to purchase the service from another prime contractor, subcontractor, or other organization rather than perform the work with its own employees or acquire the service from one of its subcontractors.
 - (2) Services that are common to the Contractor, other prime contractors, subcontractors, or other organizations where the Contractor elects, or the CO or designee directs the Contractor, to provide such services to such entities where it is to the overall net benefit to DOE.
- (c) When services are acquired under these provisions, the Contractor shall maintain control and accountability for the work under this contract and shall execute appropriate agreements with the other entities.
- (d) Services which the Contractor is expected to purchase from other prime contractors, subcontractors, or other entities at the sites include protective services, fire protection, emergency response, and other services of this general nature where it is not to the overall benefit of DOE for there to be multiple sources for such services.

H.41 EMPLOYEE CONCERNS PROGRAM

The Contractor shall submit an implementation plan to the CO for approval within 90 days of contract award that describes an Employee Concerns Program (ECP) that implements all programmatic requirements in DOE Order 442.1A, and DOE Guide 442.1-1, Employee Concerns Program, and all superseding versions. Guidance for preparation of an ECP Plan is provided in Section J, Attachment J-9. This plan will replace guidance in Section J, Attachment J-9 after CO approval.

H.42 STANDARD INSURANCE REQUIREMENTS

In accordance with Section I clause entitled “FAR 52.228-7 Insurance - Liability to Third Persons,” the following kinds and minimum amounts of insurance are required during the performance of this contract:

(a) Worker’s Compensation and Employer’s Liability Insurance:

- (1) The amount required by the state in which work is performed under applicable worker’s compensation and occupational disease statutes.
- (2) Employer’s liability insurance in the amount required by FAR 28.307-2.

(b) General liability insurance.

Bodily injury liability coverage written on the comprehensive form of policy of at least \$500,000 per occurrence.

(c) Automobile liability insurance.

Coverage shall be provided on a comprehensive basis. It shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performance of this contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage.

- (d) The amount of liability coverage on other policies shall be commensurate with any legal requirements of the state and locality, plus sufficient to meet normal and customary claims.

H.43 DEPARTMENT OF LABOR WAGE DETERMINATION

In the performance of this contract, the Contractor shall comply with the requirements of U.S. Department of Labor Wage Determination in Section J. Revised wage determinations shall be required from the Department of Labor and incorporated into this contract at least once every two years but not more often than yearly.

H.44 LOBBYING RESTRICTION (ENERGY & WATER DEVELOPMENT APPROPRIATIONS ACT, 2006)

The Contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

H.45 NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS – SENSE OF CONGRESS

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

H.46 MENTOR-PROTÉGÉ PROGRAM

The Department of Energy has established a Mentor-Protégé Program to encourage its prime contractors to assist firms certified under section 8(a) of the Small Business Act by SBA, other small disadvantaged businesses, women-owned small businesses, Historically Black Colleges and Universities and Minority Institutions, other minority institutions of higher learning and small business concerns owned and controlled by service disabled veterans in enhancing their business abilities. If the contract resulting from this solicitation is awarded on a cost-plus-award-fee basis, the Contractor's performance as a Mentor may be evaluated as part of the award fee plan. Mentor and Protégé firms will develop and submit "lessons learned" evaluations to DOE at the conclusion of the contract. Any DOE contractor that is interested in becoming a Mentor should refer to the applicable regulations at 48 CFR 919.70 and should contact the Department of Energy's Office of Small and Disadvantaged Business Utilization.

H.47 SUBCONTRACTOR FLOWDOWN REQUIREMENTS

The Contractor agrees to include the provisions under FAR 52.219-8, Utilization of Small Business Concerns, in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns that receive subcontracts in excess of \$550,000 must adopt and comply with a plan similar to the plan required by FAR 52.219-9, Small Business Subcontracting Plan.

Such plans will be reviewed by comparing them with provisions of FAR 52.219-9, and assuring that all minimum requirements of an acceptable subcontracting plan have been satisfied. The acceptability of percentage goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential small, small disadvantaged, women-owned, Historically Underutilized Business Zone (HUBZone), veteran-owned small businesses, service-disabled veteran owned small

businesses, historically black colleges and universities or minority institutions, and prior experience. Once approved and implemented, plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits to subcontractors' facilities to review applicable records and subcontracting program process.

H.48 COMPLIANCE WITH INTERNET PROTOCOL VERSION 6 (IPv6) IN ACQUIRING INFORMATION TECHNOLOGY

This contract involves the acquisition of Information Technology (IT) that uses Internet Protocol (IP) technology. The Contractor agrees that: (1) all deliverables that involve IT that uses IP (products, services, software, etc.) will comply with IPv6 standards and interoperate with both IPv6 and IPv4 systems and products; and (2) it has IPv6 technical support for development and implementation and fielded product management available. If the Contractor plans to offer a deliverable that involves IT that is not initially compliant, the Contractor agrees to: (1) obtain the CO's approval before starting work on the deliverable; (2) provide a migration path and firm commitment to upgrade to IPv6 for all application and product features, and (3) have IPv6 technical support for development and implementation and fielded product management available. Should the Contractor find that the statement of work or specifications of this contract do not conform to the IPv6 standard, it must notify the CO of such nonconformance and act in accordance with instructions of the CO.

H.49 COOPERATION WITH OTHER SITE CONTRACTORS

- (a) The DOE has/or will have prime contracts or agreements in place with the following entities: Depleted Uranium Hexafluoride (DUF6) contractor, Infrastructure, Facilities Support Services contractor, United States Enrichment Cooperation (USEC), and other entities that provide support to the DOE Portsmouth/Paducah Project Office.
- (b) In the event that DOE awards other contracts or establishes agreements with additional entities whose work affects the contract, all terms and conditions of this provision apply to the Contractor's relationship with such entities.
- (c) In the performance of this operations project contract, the Contractor agrees to cooperate in a timely manner with DOE prime contractors and other entities. Cooperation includes, but is not limited to, the following types of activities: working together to resolve interface and work performance issues; establishing working groups; participating in meetings; providing access to applicable technical and contract information and data such as schedule and milestone data; discussing technical matters related to the Portsmouth & Paducah sites; providing access to contractor facilities or areas; and allowing observation of technical activities by appropriate personnel.
- (d) The Contractor is not authorized to direct any other DOE prime contractor or other entities, except as specified elsewhere in this contract or directed by the CO.

- (e) The Contractor shall not commit or permit any act which will interfere with the performance of work by any other DOE contractor or by Government employees. If DOE determines that the Contractor's activities may interfere with another DOE contractor, the CO shall provide instructions.

H.50 PERFORMANCE GUARANTEE AGREEMENT

If the Contractor is a joint venture, limited liability company, other similar entity, or a newly formed entity, the Contractor's parent organization(s) or all member organizations shall guarantee performance of the contract as evidenced by the Performance Guarantee Agreement incorporated in the contract in Section J, Attachment J.12. If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent(s) or all member organizations shall assume joint and several liability for the performance of the contract. In the event any of the signatories to the Performance Guarantee Agreement enters into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the CO.

H.51 RESPONSIBLE CORPORATE OFFICIAL

The Contractor shall provide a Guarantee of performance from its parent company in the form set forth in the Section J Attachment entitled, Performance Guarantee Agreement. If the Contractor is a join venture, newly-formed Limited Liability Company (LLC), or other similar entity where more than one company is involved in a business relationship created for the purpose of this procurement, the parent companies of all the entities forming the new entity shall each provide Guarantees for joint and severable liability for the performance of the Contractor. In the event any of the signatories to the Guarantee of performance enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Contracting Officer. Notwithstanding the provisions of this Clause, the Government may contact, as necessary, the single responsible corporate official identified below, who is at a level above the Contractor and who is accountable for the Contractor regarding contractor performance issues:

Name: _____

Position: _____

Company/Organization: _____

Address: _____

Phone: _____

Facsimile: _____

Email: _____

Should the responsible corporate official change during the period of the Contract, the Contractor shall promptly notify the Contracting Officer in writing of the change.

H.52 ASSIGNMENT OF EXISTING AGREEMENTS AND SUBCONTRACTS

- (a) The Contractor shall accept assignment of existing subcontracts and agreements identified by the CO. The Contractor may identify additional subcontracts and agreements for assumption, which it may negotiate directly with the parties involved. The agreements and subcontracts may include, but not be limited to, subcontracts and purchase orders; memorandums of agreement; memorandums of understanding; licenses; agreements with local and state governments; user agreements; and other similar agreements.
- (b) The administration of all subcontracts entered into and/or managed by the Contractor, including responsibility for payment hereunder, shall remain with the Contractor unless assigned at the direction of DOE. DOE reserves the right to direct the Contractor to assign to DOE or another contractor any subcontract awarded under this contract. The Contractor agrees to accept assignment of subcontracts and agreements as determined necessary by DOE and listed below.

Air Liquid Industrial U.S. LP
Nov 22, 2006, Paducah, KY
Purchase of Nitrogen - Assignment of Subcontract.

Air Liquid Industrial U.S. LP
Nov 22, 2006, Portsmouth, OH
Purchase of Nitrogen - Assignment of Subcontract

Solvay Fluorides
June 1, 2006
Sales Agreement No.UDS-SA-06-001,
Purchase of HF 55% solution from Portsmouth and Paducah facilities.

H.53 PAPERLESS DIRECTIVE PROCESSING SYSTEM

- (a) The Contractor, in addition to complying with applicable laws, rules, and other regulations, shall comply with those DOE orders and other directives applicable to Contractors, with the applicable departmental policies, plans, programs, and management directives, and with all changes to assigned work as agreed to by the Contractor and the CO or designee.
- (b) DOE has developed an operating and administrative requirements "List of Applicable DOE Directives", attached to the contract as Section J, Attachment J-2. The Contractor shall comply with the directives identified in such list. The Contractor shall make no claim, including a claim for equitable adjustment under the Changes

clauses of this contract, for additional costs, fee or extension of time of performance relating to compliance with the directives in such list.

- (c) The List of Applicable DOE Directives to the contract will be revised and issued, by the DOE CO, as a contract modification, as necessary. The CO may direct the Contractor to comply with additional DOE directives and local directives and revisions thereto, as follows:

(1) Pursuant to and in accordance with the Changes clause of the contract with respect to changes in directives within the general scope of this contract.

(2) Pursuant to any Environment, Safety, and Health provisions of this contract, and in accordance with the Changes clause of this contract with respect to changes in directives involving safety, environment, health, and quality.

- (d) At least once a month, the Contractor will extract directives from the DOE Paperless Directive System utilizing the Internet as notification of their availability by DOE electronic prompting. Copies of DOE directives may be obtained without charge from the CO or by citing the number of this contract in a written request sent to the following address:

U.S. DOE
Distribution Section
Forrestal Building
Washington, DC 20585

- (e) The CO and his/her representative(s) expressly authorized in writing to do so are the only Government officials authorized to provide explanations as to the applicability of directives. The CO is the only Government Official authorized to resolve possible conflicting requirements involving directives.
- (f) Upon receipt of a new or revised directive, the Contractor shall review it for consistency with the other terms of this contract and for impacts on funding, manpower and other provisions of the contract. If the Contractor considers the directive to be consistent with the other terms of this contract and it can be implemented within existing funds, manpower, and other provisions of the contract and the implementation will not have a negative impact on the cost, schedule, or other obligations of the Contractor, the Contractor shall establish an implementation schedule, and so advise the CO within 30 calendar days of receipt. In the event the Contractor considers the directive to be inconsistent with the other terms of this contract or the requirements of the directive cannot be implemented within existing funding, manpower, and other provisions of the contract, the Contractor shall so advise the CO within 30 calendar days of receipt. Such notice shall include the basis for the claimed inconsistency and the projected cost of implementation in excess of current funding, manpower, and other provisions of the contract. After evaluation of

- the Contractor's position, the CO shall issue direction to the Contractor, pursuant to the Changes clause, concerning appropriate implementation of the directive.
- (g) The Contractor will, at least quarterly, notify DOE of those directives obtained from the DOE Paperless Directive System as described in (d) above. The Contractor cognizant personnel will review these directives and recommend for concurrence disposition of the directives to DOE-PPPO.
 - (h) Upon agreement between the Contractor and DOE, the directive will be implemented as outlined in a Contractor Management Summary or Implementation Plan, whichever is appropriate, and the directive added to the Operating and Administrative Requirements List to the contract and issued by the CO. The same process will be utilized for deletion of directives.
 - (i) The Contractor shall incorporate the substance of this clause with respect to applicable directives, excluding any reference to the Changes clause, in subcontracts for performance of work at the site and as directed by the CO.

H.54 TRANSITION TO FOLLOW-ON CONTRACT

- (a) The Contractor recognizes that the work and services covered by this contract are vital to the DOE mission and must be maintained without interruption, both at the commencement and the expiration of this contract. It is therefore understood and further agreed in recognition of the above:
 - (1) That at the expiration of the contract term or any earlier termination thereof, the Contractor shall cooperate with a successor contractor or the Government by allowing either to interview its employees for possible employment, and if such employees accept employment with the replacement contractor, shall release such employees at the time established by the new employer or by DOE. The Contractor shall cooperate with the successor contractor and the Government with regard to the termination or transfer arrangements for such employees to assure maximum protection of employee service credits and fringe benefits.
 - (2) After selection by the Government of any successor contractor, the Contractor and such successor contractor shall jointly prepare mutual detailed plans for phase-out and phase-in operations. Such plans shall specify a training and orientation program for the successor contractor to cover each phase of the scope of work covered by the contract. A proposed date by which the successor contractor will assume responsibility for such work shall be established. The Contractor shall assume full responsibility for such work until assumption thereof by the successor contractor. Execution of the proposed plan or any part thereof shall be accomplished in accordance with the CO's direction and approval.

(b) This clause shall apply to subcontracts as approved by the CO.

H.55 PRIVACY ACT SYSTEM OF RECORDS

The Contractor shall design, develop, or adopt the following systems of records on individuals to accomplish an agency function pursuant to the Section I clause entitled, FAR 52.224-2, Privacy Act.

<u>System No.</u>	<u>Title</u>
DOE-5	Personnel Records of Former Contractor Employees
DOE-13	Payroll & Leave Records
DOE-14	Report of Compensation
DOE-15	Intelligence Related Access Authorization
DOE-23	Property Accountability System
DOE-28	General Training Records
DOE-31	Firearms Qualifications Requirements
DOE-33	Personnel Medical Records
DOE-35	Personnel Radiation Exposure Records
DOE-43	Personnel Security Clearance File
DOE-51	Employee and Visitor Access Control Records
DOE-53	Access Authorization for ADP Equipment

H.56 ADDITION AND ALTERATIONS TO IMPLEMENT EXECUTIVE ORDER 13423, STRENGTHENING FEDERAL ENVIRONMENTAL, ENERGY, AND TRANSPORTATION MANAGEMENT AND ITS IMPLEMENTING INSTRUCTIONS

This contract involves contractor operation of Government-owned facilities and/or vehicles and the provisions of Executive Order 13423 are applicable to the Contractor to the same extent they would be applicable if the Government were operating the facilities or vehicles. Information on the requirements of the Executive Order and its Implementing Instructions may be found at http://ofee.gov/eo/eo13423_main.asp. This requirement includes the Electronics Stewardship requirements of Implementing Instruction XII. When acquiring desktop or laptop computers and computer monitors, the Contractor shall acquire Electronic Product Environmental Assessment Tool registered products conforming to IEEE 1680-2006 Standard and ranked at least bronze, provided such products are life cycle cost efficient and meet applicable performance requirements. Information on EPEAT-registered computer products is available to www.epeat.net.

H.57 GOVERNMENT OWNED PROPERTY AND EQUIPMENT RESPONSIBILITIES FOR CONTRACT TRANSITION PERIOD

All real and personal property currently accountable to the incumbent contractor for contract performance will be provided to the Contractor. During the contract transition period, an inventory record of such property in the DOE Facilities Information Management System (FIMS) and current contractor's personal property databases will be

provided to the Contractor. Specifically, the following property acceptance requirements will be implemented:

- (a) The Contractor must perform a joint wall-to-wall physical inventory with the current contractor(s) of all accountable high-risk and sensitive property during the transition period and accept full accountability for the high-risk property at the end of transition.
- (b) The Contractor must accept, at the end of transition, transfer of accountability for the remaining government-owned real and personal property not covered under paragraph (1), based on existing inventory records, on an “as-is, where-is” basis, or perform a wall-to-wall inventory within 120 calendar days of the effective date of the contract. Any discrepancies from the existing inventory records shall be reported to the CO. As the formal inventories are completed, the Contractor shall assume responsibility and liability for subsequent losses and damages. If the physical inventory is not accomplished within the allotted time frame, the previous Contractor's records will become the inventory baseline.

H.58 CONTRACTOR’S ORGANIZATION

- (a) Organization chart. As promptly as possible after the execution of this contract, the Contractor shall furnish to the contracting officer a chart showing the names, duties, and organization of key personnel (see H.8 “Key Personnel”) to be employed in connection with the work, and shall furnish supplemental information to reflect any changes as they occur.
- (b) Supervisory representative of contractor. Unless otherwise directed by the contracting officer, a competent full-time resident supervisory representative of the Contractor satisfactory to the contracting officer shall be in charge of the work at the site, and any work off-site, at all times.
- (c) Control of employees. The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity and shall be responsible for taking such disciplinary action with respect to its employees as may be necessary. In the event the Contractor fails to remove any employee from the contract work whom DOE deems incompetent, careless, or insubordinate, or whose continued employment on the work is deemed by DOE to be inimical to the Department's mission, the contracting officer may require, with the approval of the Secretary of Energy, the Contractor to remove the employee from work under the contract. This includes the right to direct the Contractor to remove its most senior key person from work under the contract for serious contract performance deficiencies.
- (d) Standards and procedures. The Contractor shall establish such standards and procedures as are necessary to implement the requirements set forth in 48 CFR 970.0371. Such standards and procedures shall be subject to the approval of the contracting officer.

H.59 DISPOSITION OF INTELLECTUAL PROPERTY – FAILURE TO COMPLETE CONTRACT PERFORMANCE

The following provisions shall apply in the even the Contractor does not complete contract performance for any reason:

- (a) The Government may take possession of and use all the technical data, including limited rights data, restricted computer software, and data and software obtained from subcontractors, licensors, and licensees, necessary to complete the work in conformance with this contract, including the right to use the data in any Government solicitations for the completion of the work contemplated under this contract. Technical data includes, but is not limited to, specifications, designs, drawings, operational manuals, flowcharts, software, databases and any other information necessary for of the completion of the work under this contract. Limited rights data and restricted computer software will be protected in accordance with the provisions of the Section I clause entitled *DEAR 970.5227-1 Rights in Data- Facilities*. The Contractor shall ensure that its subcontractors and licensors make similar rights available to the Government and its contractors.
- (b) The Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice by the Contractor, and any other intellectual property, including technical data, which are owned or controlled by the Contractor, at any time through completion of this Contract and which are incorporated or embodied in the construction of the facilities or which are utilized in the operation or remediation of the facilities or which cover articles, materials or products manufactured at a facility: (1) to practice or to have practiced by or for the Government at the facility; and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at anytime from contesting the enforceability, validity or scope of, or title to, any rights or patents or other intellectual property herein licensed.
- (c) In addition, the Contractor will take all necessary steps to assign permits, authorizations, leases, and licenses in any third party intellectual property to the Government, or such other third party as the Government may designate, that are necessary for the completion of the work contemplated under this Contract..

H.60 SMALL BUSINESS SUBCONTRACTING PLAN

The Small Business Subcontracting Plan submitted by the Contractor in accordance with the clause in Section I entitled “Small Business Subcontracting Plan” and approved by the CO is incorporated into the contract in Section J, Attachment J-11. The CO shall approve any necessary changes to the plan.